

July 17, 2013

CONFIDENTIAL

TO: Resolution Life Holdings, Inc.

Re: Equity Financing Commitment

Ladies and Gentlemen:

Reference is made to (i) the Stock Purchase Agreement attached hereto as Annex A (the "Purchase Agreement"), dated as of the date hereof, by and among Allstate Life Insurance Company, an insurance company organized under the laws of the State of Illinois ("Seller"), Resolution Life Holdings, Inc., a corporation organized under the laws of the State of Delaware ("Buyer") and Resolution Life L.P., solely for purposes of Section 5.25 and Article X thereto, a Bermuda limited partnership ("Parent"), pursuant to which Buyer intends to acquire all of the common stock of Lincoln Benefit Life Company, an insurance company organized under the laws of the State of Nebraska (the "Company"), (ii) the Subscription Agreements attached hereto as Annex B, dated as of July 11, 2013, as amended by the Amendment to Subscription Agreement, dated as of July 17, 2013 (the "Subscription Agreements"), each by and between Parent and each investor listed on Schedule I attached hereto (each, an "Investor" and together, the "Investors"), pursuant to which the Investors agreed to become limited partners of Parent and made capital commitments to Parent as limited partners, subject to the terms and conditions set forth therein, and (iii) the Amended and Restated Limited Partnership Agreement of Parent attached hereto as Annex C (the "Limited Partnership Agreement"), dated as of July 11, 2013, by and between Resolution Life GP Ltd. (the "General Partner"), the Investors and the persons admitted as Limited Partners pursuant to the terms thereof. Capitalized terms used herein without definition shall have the meanings given to them in the Purchase Agreement or the Limited Partnership Agreement, as applicable. The parties hereto, for good and adequate consideration, the receipt and sufficiency of which are hereby acknowledged, including the entry by Buyer into the Purchase Agreement and the representations, warranties, covenants and agreements contained in this letter agreement (this "Letter Agreement"), hereby agree as set forth below.

This Letter Agreement shall become effective only upon execution and delivery of the Purchase Agreement by Buyer.

Parent hereby commits to purchase or to cause an Affiliate to purchase on the Closing Date common stock of Buyer for an aggregate purchase price of up to (or otherwise contribute or cause to be contributed to Buyer up to) the sum of (i) \$412,000,000 (the "Commitment"), solely for the purpose of allowing Buyer to fund the

Purchase Price, to capitalize the Company and to fund any other amounts required to be paid by Buyer in connection with the Closing contemplated by, and in accordance with, the Purchase Agreement (collectively, the "Required Amount"). Notwithstanding the foregoing, the Commitment shall be reduced at the Closing if, and then only to the extent that, an amount that is less than the Commitment is required for Buyer, when taken together with the NER Financing and the Debt Financing, to fund the Required Amount at the Closing because Buyer has available funds from other sources (including from dividends paid by the Company at Closing) obtained consistently with the terms of the Purchase Agreement.

Parent and the General Partner hereby agree:

(a) to call for Capital Contributions (as defined in the Limited Partnership Agreement) from the Investors in an aggregate amount of not less than the Commitment pursuant to the Subscription Agreements and the Limited Partnership Agreement; and in connection therewith agree as follows:

(i) the General Partner shall provide each Investor with a Drawdown Notice (as defined in the Limited Partnership Agreement) setting forth all the information required by Section 5.2(b) of the Limited Partnership Agreement at least 10 days prior to the date reasonably expected to be the Closing Date under the Purchase Agreement;

(ii) the Drawdown Notice shall specify that the Capital Contribution contemplated thereunder will be used by Parent solely for the purpose of allowing Buyer to fund the Required Amount;

(iii) the General Partner shall cause Parent not to use the proceeds of the Capital Contribution contemplated by the Drawdown Notice delivered in accordance with clause (i) above for any purpose other than as contemplated in clause (ii) above (but not, for the avoidance of doubt, in connection with any other Portfolio Investment);

(iv) except as provided herein and for the initial call for a Capital Contribution in the amount of \$70,000,000 to fund in part the Escrow Account, prior to the Closing Date under the Purchase Agreement, the General Partner shall not call for any Capital Contribution from Investors to the extent that, after giving effect to such a Capital Contribution, the Investors' aggregate Remaining Capital Commitments (as defined in the Limited Partnership Agreement) would be in an amount that is less than the Commitment;

(v) unless Parent has otherwise received Capital Contributions in an aggregate amount of not less than the Commitment, the General Partner shall designate any Investor who fails to make, in a timely manner, all or a portion of its Capital Contribution, as a Defaulting Partner pursuant to Section 5.4(a) of the Limited Partnership Agreement and shall not waive any such Default as otherwise

permitted under Section 5.4(a), subject to the terms thereof, including any applicable cure periods; and

(vi) with respect to any Defaulted Amount (as defined in the Limited Partnership Agreement), each of Parent and the General Partner shall exercise its rights under the Limited Partnership Agreement, including by (1) increasing the Capital Contributions of other Investors to the extent permitted under Section 5.4(b) of the Limited Partnership Agreement, (2) using its reasonable best efforts to admit a Substitute Partner (as defined in the Limited Partnership Agreement) to assume the Defaulted Capital Commitment (as defined in the Limited Partnership Agreement), (3) offering to other Investors the opportunity to increase their Remaining Capital Commitments (as defined in the Limited Partnership Agreement) so that they can make Capital Contributions in an amount equal to the Defaulted Capital Commitment pursuant to Section 5.4(c)(ii) of the Limited Partnership Agreement, and (4) pursuing all other remedies at law or equity available to it with respect to the applicable Default of a Defaulted Partner (as such terms are defined in the Limited Partnership Agreement).

(b) to exercise its rights under the Subscription Agreement and the Limited Partnership Agreement to cause any Investors to furnish any information, representations, certifications, applications, affidavits, forms and other documents, make any filings and take such other actions, as may be required under Applicable Law or that otherwise may be requested or required by any Governmental Entity in connection with the transactions contemplated by the Purchase Agreement, including as necessary to complete and make any regulatory filing relating to the acquisition of the Company by Buyer pursuant to the Purchase Agreement;

(c) if (i) Investors are required under Applicable Law to be included as acquiring persons in any application required to be made with any Governmental Entity in connection with Buyer's acquisition of the Company and (ii) such Governmental Entity notifies Buyer in writing that such Governmental Entity will not grant its approval of the transactions contemplated by the Purchase Agreement due to the participation of or the identity of an Investor, as promptly as practicable following the occurrence of such event, to seek in good faith to reach an agreement with the applicable Investor to reduce such Investor's Capital Commitment (as defined in the Limited Partnership Agreement) such that such Investor is no longer required to be included as an acquiring person in such application and seek in good faith to admit one or more partners as limited partners of Parent in accordance with, and subject to the terms of, the Limited Partnership Agreement with aggregate Capital Commitments in an amount sufficient, together with all other Capital Commitments, to allow Parent to fund the Commitment; and

(d) that, except as otherwise provided herein, it shall not permit any amendment or modification to be made to any Subscription Agreement or the Limited Partnership Agreement that would, or enter into any other agreement or arrangement that would, (i) reduce the aggregate amount of the Investors' Capital Commitments as set forth in the Subscription Agreements, (ii) impose new or additional conditions, or otherwise amend, modify or expand the conditions, to the funding of the Investors'

Capital Commitments as set forth in the Subscription Agreements in a manner that would reasonably be expected to delay in any material respect or prevent the Closing under the Purchase Agreement in accordance with the terms thereof or make the timely funding of the entire amount of the Commitment in accordance with the terms of this Letter Agreement less likely to occur, (iii) reasonably be expected to impair Parent's or the General Partner's rights or ability to enforce the terms of the Subscription Agreements or the Limited Partnership Agreement, including the provisions permitting Parent or the General Partner to cause the Investors to furnish any information, representations, certifications, applications, affidavits, forms and other documents, make any filings and take such other actions, as may be required under Applicable Law or that otherwise may be requested or required by any Governmental Entity in connection with the transactions contemplated by the Purchase Agreement, including as necessary to complete and make any regulatory filing relating to the acquisition of the Company by Buyer pursuant to the Purchase Agreement, or (iv) reasonably be expected to delay in any material respect or prevent the Closing under the Purchase Agreement in accordance with the terms thereof, make the funding of the Commitment in accordance with the terms of this Letter Agreement less likely to occur or impair or otherwise negatively affect in any material respects the rights of, or remedies available to, Parent or the General Partner at law or equity with respect to any Default of a Defaulting Partner or the General Partner's ability to increase the Capital Contributions of the Investors as contemplated by Section 5.4(b) of the Limited Partnership Agreement or to admit Substitute Partners;

(e) except for Transfers (as defined in the Limited Partnership Agreement) to an Affiliate of an Investor, the General Partner shall not consent to the Transfer by an Investor of its Interest in Parent, if such Transfer would, in the reasonable expectation of the General Partner, (i) result in the Transferee being required under Applicable Law to be included as an acquiring person in any application required to be made with any Governmental Entity in connection with Buyer's acquisition of the Company or (ii) materially delay or prevent the Closing under the Purchase Agreement or make the funding of the Commitment less likely to occur; and

(f) except as otherwise provided hereunder, the General Partner shall not, after the date hereof, admit any Person to Parent as a Limited Partner (as defined in the Limited Partnership Agreement) to the extent such Person would be required under Applicable Law to be included as an acquiring person in any application required to be made with any Governmental Entity in connection with Buyer's acquisition of the Company.

Parent's obligation to fund the Commitment under this Letter Agreement is subject only to (i) the execution and delivery of the Purchase Agreement by Seller and Buyer, (ii) the satisfaction or waiver by Buyer (with the prior written approval of Parent) of the conditions set forth in Section 6.1 and Section 6.2 of the Purchase Agreement and (iii) either the simultaneous consummation of the Closing in accordance with the terms of the Purchase Agreement or the obtaining by Seller of an order requiring Buyer to specifically perform its obligations to consummate the Closing under the Purchase

Agreement, but subject to the simultaneous consummation of the Closing under the Purchase Agreement (the "Funding Conditions").

As of the date hereof, each of the Subscription Agreements and the Limited Partnership Agreement (x) is in full force and effect and (y) with respect to each of the Subscription Agreements, is a legal, valid and binding obligation of Parent and, with respect to the Limited Partnership Agreement is a legal, valid and binding obligation of the General Partner, and, to the Knowledge of Buyer, as applicable, the other parties thereto and is enforceable against Parent or the General Partner, as applicable, and, to the Knowledge of Buyer, as applicable, each of the other parties thereto, in each case except that (A) such enforceability may be subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws, now or hereafter in effect, affecting creditors' rights generally and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought. Other than as set forth in the Purchase Agreement, the Subscription Agreements, the Limited Partnership Agreement and this Letter Agreement, there are no conditions related to the funding of the full amount of the Capital Commitment of any Investor under any agreement to which Parent or the General Partner is a party. No event has occurred and no circumstance exists that, with or without notice, lapse of time or both, would constitute a default or breach on the part of Buyer, Parent, the General Partner or, to the Knowledge of Parent or the General Partner, on the part of any Investor, under any term or condition of any Subscription Agreement or under the Limited Partnership Agreement. There are no side letters or other agreements, contracts or arrangements, written or oral, related to the funding or investing, as applicable, of the full amount of the Commitment by the Investors in accordance with the terms of the Subscription Agreements and the Limited Partnership Agreement.

Parent shall not, under any circumstances, be obligated to contribute to Buyer more than the Commitment. In the event that Buyer does not require all of the equity with respect to which Parent has made the Commitment to consummate the Closing, the Commitment shall be reduced accordingly.

This Letter Agreement and Parent's and the General Partner's obligations hereunder, including, without limitation, Parent's obligation to fund the Commitment, shall terminate upon (a) the termination of the Purchase Agreement in accordance with its terms, (b) one Business Day after the consummation of the Closing under the Purchase Agreement, (c) the payment of monetary damages out of the Escrow Account with respect to any claim made arising out of or relating to the transactions contemplated by the Purchase Agreement or (d) the payment of the Termination Fee under the Purchase Agreement. Upon any such termination of this Letter Agreement, any obligations hereunder will terminate and none of the parties hereto shall have any liability whatsoever to any other party.

Parent's obligation to fund the Commitment may not be assigned, except as permitted in this paragraph. Parent may assign all or a portion of its obligations to fund the Commitment to Affiliates or affiliated funds or to entities governed by an Affiliate or

an affiliated fund, provided, however, that any such assignment shall not relieve Parent of its obligations under this Letter Agreement.

This Letter Agreement shall inure to the benefit of and be binding upon Parent, the General Partner and Buyer. Seller is an express third party beneficiary of this Letter Agreement and is entitled to enforce the obligations of Parent and the General Partner hereunder; provided, however, that Seller shall not be entitled to any money damages from any General Partner Affiliate with respect to any breach of this Letter Agreement and Seller's direct rights and remedies hereunder shall be limited to equitable remedies (other than any equitable remedies requiring any monetary compensation); provided, further, that Seller's right to cause the General Partner to call for a Capital Contribution or to cause Parent to fund the Commitment shall be subject to the satisfaction of the Funding Conditions. The parties hereto agree that irreparable damage would occur in the event that any of the provisions of this Letter Agreement were not performed in accordance with its specific terms or were otherwise breached. It is accordingly agreed that, without the necessity of posting bond or any other security or undertaking, each of the parties hereto and Seller (as a third party beneficiary of this Letter Agreement) shall be entitled to an injunction or injunctions to prevent breaches of this Letter Agreement and to enforce specifically the terms and provisions hereof. Notwithstanding anything to the contrary contained in this Letter Agreement, the Purchase Agreement, the Subscription Agreements, the Limited Partnership Agreement or any other document or agreement, in the event that any Action is brought in equity to enforce the provisions of this Letter Agreement, no party hereto shall allege, and each party hereto hereby waives, any defense or counterclaim that there is an adequate remedy at law.

Notwithstanding anything that may be expressed or implied in this Letter Agreement or any document or instrument delivered in connection herewith, each party hereto, by its acceptance of the benefits hereof, covenants, agrees and acknowledges that no Person other than Parent and the General Partner has obligations hereunder and that, notwithstanding that each of Parent and the General Partner is a partnership or company, no Person (including Seller) has any remedy, recourse or right of recovery against, or contribution from any General Partner Affiliate through Parent, the General Partner, Buyer or otherwise, whether by or through attempted piercing of the corporate veil or similar action, by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of any statute, regulation or applicable law, by or through a claim by or on behalf of Parent, the General Partner or Buyer against Parent, the General Partner, or any General Partner Affiliate, or otherwise, except for the Buyer's and Seller's rights against Parent and the General Partner under this Letter Agreement and Seller's rights against Buyer under the Purchase Agreement. For purposes of this Letter Agreement, the term "General Partner Affiliate" means (i) Parent, (ii) the General Partner, (iii) any former, current or future general or limited partner (including, without limitation, the Investors), stockholder, holder of any equity, partnership or limited liability company interest, officer, member, manager, director, employee, agent, controlling person, assignee or Affiliate of Parent or the General Partner, (iv) Buyer, or (v) any former, current or future general or limited partner, stockholder, holder of any equity, partnership or limited liability company interest, officer, member, manager,

director, employee, agent, attorney, controlling person, assignee or Affiliate of any of the foregoing.

Seller's remedies against Parent and the General Partner pursuant to and in connection with this Letter Agreement shall, and are intended to be, the sole and exclusive direct or indirect remedies available to Seller and its Affiliates against Parent, the General Partner and any General Partner Affiliate (in each case, other than Buyer) in respect of any liabilities or obligations arising under, or in connection with, this Letter Agreement, the Purchase Agreement and the transactions contemplated thereby, including in the event Buyer breaches its obligations under the Purchase Agreement, whether or not Buyer's breach is caused by Parent's or the General Partner's breach of its respective obligations under this Letter Agreement. None of Seller, its Affiliates or any creditor of the Seller or its Affiliates shall have the right to (x) enforce this Letter Agreement or (y) to cause Buyer to enforce this Letter Agreement, except as provided herein.

Parent hereby represents and warrants that (a) Parent has all organizational power and authority to execute, deliver and perform this Letter Agreement, (b) the execution, delivery and performance of this Letter Agreement by Parent has been duly and validly authorized and approved by all necessary limited partnership action by Parent, (c) this Letter Agreement has been duly and validly executed and delivered by Parent and constitutes a valid and legally binding obligation of Parent, (d) the execution, delivery and performance of this Letter Agreement by Parent does not and will not conflict with, violate the terms of or result in the acceleration of any obligation under (i) any material contract, commitment or other material instrument to which Parent is a party or is bound, or (ii) the certificate of limited partnership or limited partnership agreement of Parent, (e) the Commitment is less than the maximum amount that Parent is permitted to invest in any one portfolio investment pursuant to the terms of its constituent documents and (f) Parent has uncalled capital commitments in excess of the Commitment.

The General Partner hereby represents and warrants that (a) the General Partner has all organizational power and authority to execute, deliver and perform this Letter Agreement, (b) the execution, delivery and performance of this Letter Agreement by the General Partner has been duly and validly authorized and approved by all necessary exempted limited company action by the General Partner, (c) this Letter Agreement has been duly and validly executed and delivered by the General Partner and constitutes a valid and legally binding obligation of the General Partner, (d) the execution, delivery and performance of this Letter Agreement by the General Partner does not and will not conflict with, violate the terms of or result in the acceleration of any obligation under (i) any material contract, commitment or other material instrument to which the General Partner is a party or is bound, or (ii) the organizational documents of the General Partner.

All notices, requests, claims, demands and other communications under this Letter Agreement shall be in writing and shall be delivered personally or by overnight courier (providing proof of delivery) to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) if to Buyer:

Resolution Capital Limited
23 Savile Row
London, W1S 2ET
Attention: Jonathan Hack

(b) if to Parent:

Resolution Life L.P.
c/o Appleby Services (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

(c) if to the General Partner:

Resolution Life GP Ltd.
c/o Appleby Services (Bermuda) Ltd.
Canon's Court
22 Victoria Street
Hamilton, HM 12
Bermuda

Notice given by personal delivery or overnight courier shall be effective upon actual receipt.

This Letter Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the laws of the State of New York, New York County, without giving effect to its principles or rules of conflict of laws, to the extent such principles are not mandatorily applicable by statute and would permit or require the application of the laws of another jurisdiction. The parties hereto hereby irrevocably submit to the jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan, in the City of New York (and in the absence of federal jurisdiction, the parties hereto consent to be subject to the exclusive jurisdiction of the Supreme Court of the State of New York, New York County) solely in respect of the interpretation and enforcement of the provisions of this Letter Agreement, and irrevocably agree that all claims in respect of the interpretation and enforcement of the provisions of this Letter Agreement, or with respect to any action or proceeding hereunder, shall be heard and determined in the United States District Court for the Southern District of New York sitting in the Borough of Manhattan, in the City of New York (and in the absence of federal jurisdiction, the parties hereto consent to be subject to the exclusive jurisdiction of the Supreme Court of the State of New York, New York County), and that such jurisdiction of such courts with respect thereto shall be exclusive, except solely to the extent that all such courts shall lawfully decline to exercise such jurisdiction. Each party hereto hereby waives and agrees not to assert, as a defense in any

action, suit or proceeding for the interpretation or enforcement hereof, that it is not subject to such jurisdiction. Each party hereto hereby waives and agrees not to assert, to the maximum extent permitted by law, as a defense in any action, suit or proceeding for the interpretation or enforcement hereof, that such action, suit or proceeding may not be brought or is not maintainable in such courts, that the venue thereof may not be appropriate or that this Letter Agreement may not be enforced in or by such courts. The parties hereto hereby consent to and grant any such court jurisdiction over the person of such parties and over the subject matter of any such dispute. Any process or other paper to be served in connection with any action or proceeding under this Letter Agreement shall, if delivered or sent in accordance with the paragraph above, constitute good, proper and sufficient service thereof. **THE PARTIES HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY ACTION, SUIT, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THEM AGAINST THE OTHER IN ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LETTER AGREEMENT.**

Each of Parent and the General Partner hereby designates, appoints and empowers CT Corporation System with offices at 111 Eighth Avenue, New York, New York 10011 (the "Process Agent") as its authorized agent to receive for it and on its behalf service of summons or other legal process in any action, suit or proceeding relating to this Letter Agreement in the State of New York. Such service may be made by mailing or delivering a copy of such process to the Process Agent at the Process Agent's above address, and each of Parent and the General Partner hereby irrevocably authorizes and directs the Process Agent to accept such service on its behalf. Each of Parent and the General Partner covenants and agrees that, for so long as this Letter Agreement continues in effect, it shall maintain a duly appointed agent for the service of summons and other legal process in New York, New York, United States of America, for the purposes of any legal action, suit or proceeding brought by any party in respect of this Letter Agreement and shall keep Buyer and Seller advised of the identity and location of such agent. If for any reason Parent or the General Partner does not at any time have an authorized agent for service of process in New York, such entity irrevocably consents to the service of process out of any New York Court by mailing copies thereof by registered United States air mail to it at its address specified above. Nothing in this Letter Agreement shall affect the right of Buyer or Seller to commence legal proceedings or otherwise sue Parent or the General Partner in the country in which it is domiciled or in any other court having jurisdiction over such entity in order to enforce the judgment of any New York Court or to serve process upon such entity in any manner authorized by the laws of any such jurisdiction.

If any provision of this Letter Agreement or the application of any such provision to any Person or circumstance shall be declared by any court of competent jurisdiction to be invalid, illegal, void or unenforceable in any respect, all other provisions of this Letter Agreement, or the application of such provision to Persons or circumstances other than those as to which it has been held invalid, illegal, void or unenforceable, shall nevertheless remain in full force and effect and will in no way be affected, impaired or invalidated thereby. Upon such determination that any provision, or the application of any such provision, is invalid, illegal, void or unenforceable, the parties shall negotiate in

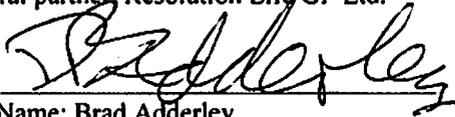
good faith to modify this Letter Agreement so as to effect the original intent of the parties as closely as possible to the fullest extent permitted by Applicable Law in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the greatest extent possible.

This Letter Agreement, together with the Purchase Agreement, the Escrow Agreement and the Confidentiality Agreement, constitute the sole agreement, and supersede all prior agreements, understandings and statements, written or oral, between Parent, the General Partner or any of their respective Affiliates and any other Person with respect to the subject matter hereof. The terms of this Letter Agreement may not be modified or otherwise amended, or waived, except pursuant to a written agreement signed by the parties hereto and approved in writing by Seller. This Letter Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.

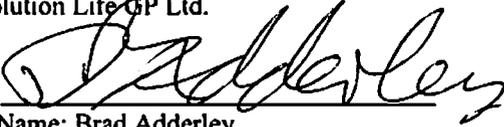
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Very truly yours.

Resolution Life L.P. acting by its
general partner, Resolution Life GP Ltd.

By: 
Name: Brad Adderley
Title: Director, Resolution Life GP Ltd.

Resolution Life GP Ltd.

By: 
Name: Brad Adderley
Title: Director

Acknowledged and agreed as of
the date first above written:

Resolution Life Holdings, Inc.

By: _____
Name: W. Weldon Wilson
Title: President and Secretary

Very truly yours,

Resolution Life L.P. acting by its
general partner, Resolution Life GP Ltd.

By: _____
Name: Brad Adderley
Title: Director, Resolution Life GP Ltd.

Resolution Life GP Ltd.

By: _____
Name: Brad Adderley
Title: Director

Acknowledged and agreed as of
the date first above written:

Resolution Life Holdings, Inc.

By: 
Name: W. Weldon Wilson
Title: President and Secretary

ROYAL BANK OF CANADA
Three World Financial Center
200 Vesey Street
New York, New York 10281

THE ROYAL BANK OF SCOTLAND PLC
RBS SECURITIES INC.
600 Washington Boulevard
Stamford, CT, 06901, USA

CONFIDENTIAL

July 17, 2013

Resolution Life Holdings, Inc.
733 Third Avenue, 16th Floor
New York, NY 10017
Attention: W. Weldon Wilson

**Project Lighthouse
Commitment Letter**

Ladies and Gentlemen:

Resolution Life Holdings, Inc. ("Holdings" or "you") has advised Royal Bank of Canada ("Royal Bank"), RBC Capital Markets¹ ("RBCCM"), The Royal Bank of Scotland plc ("RBS") and RBS Securities Inc. ("RBSSI") and, together with Royal Bank, RBCCM and RBS, "we," "us" or the "Commitment Parties") that you through your wholly-owned subsidiary Resolution Life, Inc. (the "Borrower") intend to acquire (the "Acquisition"), directly or indirectly, all of the common stock of the company previously identified to us by you as "Lighthouse" (the "Target"). You have further advised us that, in connection with the foregoing, you desire to establish a senior secured term loan facility for the Borrower of up to \$175 million (the "Facility") (provided that the Facility shall be reduced by the amount (up to \$25 million) of any drawing under the Hannover Life Reassurance Financing (as defined in the Transaction Description attached hereto as Exhibit A (the "Transaction Description") or any alternative to such Hannover Life Reassurance Financing) described in the Transaction Description) and to consummate the other Transactions that are described in the Transaction Description. Capitalized terms used but not defined herein shall have the meanings assigned to them in the Transaction Description or the Summaries of Principal Terms and Conditions attached hereto as Exhibit B (the "Term Sheet"; this commitment letter, the Transaction Description, the

¹ RBC Capital Markets is a brand name for the capital markets businesses of Royal Bank of Canada and its affiliates.

Term Sheet and the Summary of Additional Conditions attached hereto as Exhibit C, collectively, the "Commitment Letter").

1. Commitments.

In connection with the Transactions, each of Royal Bank and RBS (each, an "Initial Lender" and, collectively, the "Initial Lenders"), in each case subject only to the satisfaction of the conditions referenced in Section 6 hereof, is pleased to advise you of its several, but not joint, commitment to provide 50% of the aggregate principal amount of the Facility.

2. Titles and Roles.

It is agreed that each of RBCCM and RBSSI will act as a joint lead arranger and a joint bookrunner for the Facility (each a "Joint Bookrunner" and, collectively, the "Joint Bookrunners"), Royal Bank will act as administrative agent for the Facility (in such capacity, the "Administrative Agent") and RBS will act as documentation agent for the Facility. It is further agreed that Royal Bank and RBCCM shall have "left side" designation and shall appear on the top left of any Information Materials (as defined below) and all other offering or marketing materials in respect of the Facility and RBS and RBSSI shall have "right side" designation and shall appear on the top right of any Information Materials and all other offering or marketing materials in respect of the Facility. You agree that no other agents, co-agents, arrangers or bookrunners will be appointed, no other titles will be awarded and no compensation (other than compensation expressly contemplated by this Commitment Letter and the Fee Letter referred to below) will be paid to any Lender (as defined below) in order to obtain its commitment to participate in the Facility unless you and we shall so agree.

3. Syndication

The Joint Bookrunners reserve the right, prior to or after the Closing Date (as defined below), to syndicate a portion of the Initial Lenders' respective commitments hereunder to a group of banks, financial institutions and other institutional lenders and investors (together with the Initial Lenders, the "Lenders") identified by the Joint Bookrunners in consultation with you and reasonably acceptable to the Joint Bookrunners and you (in each case, such consent not to be unreasonably withheld or delayed); provided that (a) any Additional Initial Lender (as defined herein) shall be satisfactory to you in your sole discretion, (b) we agree not to syndicate our commitments to competitors of the Borrower or the Target and their respective subsidiaries that have been specified to us by you in writing prior to the date hereof and agreed to by the Joint Bookrunners (the "Disqualified Lenders") and that no Disqualified Lenders may become Lenders and (c) notwithstanding the Joint Bookrunners' right to syndicate the Facility and receive commitments with respect thereto, (i) except in connection with the Execution (as defined herein) or the appointment of an Additional Initial Lender, no

Initial Lender shall be relieved, released or novated from its obligations hereunder (including its obligation to fund the Facility on the date of the consummation of the Acquisition with the proceeds of the funding under the Facility (the date of such funding, the "Closing Date")) in connection with any syndication, assignment or participation of the Facility, including its commitments in respect thereof, until after the funding of the Facility on the Closing Date has occurred, (ii) except in connection with the Execution or the appointment of an Additional Initial Lender, no assignment or novation shall become effective (as between you and the Initial Lenders) with respect to all or any portion of any Initial Lender's commitments in respect of the Facility until the initial funding of the Facility has occurred, (iii) except in connection with the Execution or the appointment of an Additional Initial Lender, or unless you otherwise agree in writing, each Initial Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Facility, including all rights with respect to consents, modifications, supplements, waivers and amendments, until the funding of the Facility on the Closing Date has occurred and (iv) no syndication, sale, transfer or assignment shall, without your consent, result in either Joint Bookrunner (together with its affiliates) holding less than \$40 million of the aggregate principal amount of the commitments prior to the Closing.

Without limiting your obligations to assist with syndication efforts as set forth herein, it is understood that the Initial Lenders' commitments hereunder are not conditioned upon the syndication of, or receipt of commitments in respect of, the Facility and in no event shall the commencement or successful completion of syndication of the Facility or your assistance in connection therewith constitute a condition to the availability of the Facility on the Closing Date. The Joint Bookrunners may commence syndication efforts promptly upon the execution of this Commitment Letter and as part of their syndication efforts it is their intent to have Lenders commit to the Facility as promptly as commercially practicable following the date hereof (subject to the limitations set forth in the preceding paragraph). In connection with such syndication, it is our intention (i) to proceed as promptly as commercially practicable after the date hereof with the documentation of the Facility, and (ii) that the Initial Lenders, together with one or more other Lenders satisfactory to you in your sole discretion will promptly execute the Credit Agreement (the "Execution"), whereupon each Initial Lender shall be released from its obligations under Section 1, which obligations shall be superseded by the obligations of the Initial Lenders and such other Lenders contained in the credit agreement reflecting the provisions set out in the final form of the Term Sheet (the "Credit Agreement") and the other Finance Documents; provided that after the date hereof and prior to the date of the Execution, the Initial Lenders may assign commitments in respect of the Facility to one or more additional financial institutions (any such financial institution an "Additional Initial Lender") satisfactory to you in your sole discretion (it being understood that, to the extent such Additional Initial Lenders assume a portion of the commitments of the Initial Lenders hereunder, the commitments of the Initial Lenders in respect of the Facility will be reduced by the amount of the

commitments assumed by such Additional Initial Lenders, with such reduction allocated to reduce the commitments of the Initial Lenders at such time on a pro rata basis according to the respective amounts of their commitments upon the execution by such Additional Initial Lender of customary joinder documentation with respect to this commitment letter and each Initial Lender shall, solely to the extent of such assignment, be released from its obligations under Section 1, which obligations shall be superseded by the obligations of such Additional Initial Lender contained in such joinder documentation). The Finance Documents will provide that (i) no assignment or novation shall become effective (as between you or the Borrower and the Lenders) with respect to all or any portion of any Lender's commitments in respect of the Facility until the initial funding of the Facility has occurred, (ii) unless you or the Borrower otherwise agree in writing, each Lender shall retain exclusive control over all rights and obligations with respect to its commitments in respect of the Facility, including all rights with respect to consents, modifications, supplements, waivers and amendments of the Finance Documents, until the funding of the Facility on the Closing Date has occurred and (iii) if the Credit Agreement is executed prior to the consummation of the Acquisition, the covenants and events of default under the Credit Agreement will be modified in a manner to be mutually agreed from such date of execution until the funding of the Facility has occurred on the Closing Date.

Until the earlier of (i) the date upon which a Successful Syndication is achieved and (ii) 60 days following the Closing Date (the "Syndication Date"), you agree to assist the Joint Bookrunners in completing a syndication that is reasonably satisfactory to us and you. Such assistance shall include, without limitation, (a) your using commercially reasonable efforts to ensure that any syndication efforts benefit from your existing lending relationships and the existing lending relationships of the Sponsor (as defined in the Term Sheet), (b) your providing direct contact between appropriate members of your senior management, certain representatives and certain of your non-legal advisors, on the one hand, and the proposed Lenders, on the other hand (and your using commercially reasonable efforts to facilitate such contact between appropriate members of senior management of the Target, on the one hand, and the proposed Lenders, on the other hand), in all such cases at times mutually agreed upon, (c) your assistance (including the use of commercially reasonable efforts to cause the Target to assist) in the preparation of the Information Materials and other customary offering and marketing materials to be used in connection with the syndication, (d) the hosting, with the Joint Bookrunners, of a reasonable number of meetings of prospective Lenders at times and locations to be mutually agreed upon (and your using commercially reasonable efforts to cause certain officers of the Target to be available for such meetings) and (e) prior to the Syndication Date, there being no competing issues, offerings or placements of debt securities or commercial bank or other credit facilities by or on behalf of you or any of your subsidiaries (and your using commercially reasonable efforts to ensure there are no competing issues, offerings or placements of debt securities or commercial bank or other Facility by or on behalf of the Target or any of its subsidiaries) being offered, placed or

arranged (other than the Facility, replacements, extensions and renewals of existing indebtedness that matures prior to the Syndication Date or any other indebtedness of the Target and its subsidiaries permitted to be incurred pursuant to the Acquisition Agreement) without the consent of the Joint Bookrunners, if such issuance, offering, placement or arrangement would reasonably be expected to materially impair the primary syndication of the Facility (it being understood that the Borrower's and its subsidiaries' ordinary course short term working capital facilities and ordinary course capital lease, purchase money and equipment financings will be deemed not to materially impair the syndication of the Facility).

The Joint Bookrunners, in their capacities as such, will manage, in consultation with you, all aspects of any syndication of the Facility, including decisions as to the selection of institutions to be approached and when they will be approached, when their commitments will be accepted, which institutions will participate (subject to your consent rights set forth in the second preceding paragraph and excluding Disqualified Lenders), the allocation of the commitments among the Lenders and the amount and distribution of fees among the Lenders. To assist the Joint Bookrunners in their syndication efforts, you agree to promptly prepare and provide (and to use commercially reasonable efforts to cause the Target to provide) to us all customary and reasonably available information with respect to you, the Target and each of your and its respective subsidiaries and the Transactions, including customary financial information and projections (including financial estimates, forecasts and other forward-looking information, the "Projections"), as the Joint Bookrunners may reasonably request in connection with the structuring, arrangement and syndication of the Facility. For the avoidance of doubt, you will not be required to provide any information to the extent that the provision thereof would violate any law, rule or regulation, or any obligation of confidentiality binding upon, or waive any privilege that may be asserted by, you, the Target or any of your respective affiliates; provided that in the event that you do not provide information in reliance on this sentence, you shall provide notice to the Joint Bookrunners that such information is being withheld and you shall use your commercially reasonable efforts to communicate, to the extent feasible, the applicable information in a way that would not violate the applicable obligation or risk waiver of such privilege. Notwithstanding anything herein to the contrary, the only financial statements that shall be required to be provided to the Commitment Parties in connection with the syndication of the Facility shall be those required to be delivered pursuant to Exhibit C hereto.

You hereby acknowledge that the Joint Bookrunners will make available Information (as defined below), Projections and other customary offering and marketing material and presentations, including a confidential information memorandum to be used in connection with the syndication of the Facility (the "Information Memorandum") (such Information, Projections, other customary offering and marketing material and the Information Memorandum, collectively, with the Term Sheet, the "Information Materials") on a confidential basis to the proposed syndicate of Lenders by posting the

Information Materials on Intralinks, Debt X, SyndTrak Online or by similar electronic means.

4. Information.

You hereby represent and warrant that (to the best of your knowledge with respect to the Target and its subsidiaries) (a) all written factual information and data (other than the Projections and other than information of a general economic or industry specific nature) (the "Information"), that has been or will be made available to any Commitment Party by you or by any of your representatives (including the Sponsor) on your behalf in connection with the transactions contemplated hereby, when taken as a whole after giving effect to all supplements and updates provided thereto, is or will be, when furnished, correct in all material respects and does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the Projections that have been or will be made available to any Commitment Party by you or by any of your representatives on your behalf in connection with the transactions contemplated hereby have been, or will be, prepared in good faith based upon assumptions that are believed by you to be reasonable at the time prepared and at the time the related Projections are so furnished; it being understood that the Projections are as to future events and are not to be viewed as facts, the Projections are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular Projections will be realized and that actual results during the period or periods covered by any such Projections may differ significantly from the projected results and such differences may be material. You agree that, if at any time prior to the later of the Closing Date and the Syndication Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the Information and the Projections were being furnished, and such representations were being made, at such time, then you will (or with respect to the Target and its subsidiaries, will use commercially reasonable efforts to) promptly supplement the Information and the Projections such that (with respect to the Information relating to the Target and its subsidiaries, to the best of your knowledge) such representations and warranties are correct in all material respects under those circumstances. In arranging and syndicating the Facility, each of the Commitment Parties (i) will be entitled to use and rely primarily on the Information and the Projections without responsibility for independent verification thereof and (ii) does not assume responsibility for the accuracy or completeness of the Information or the Projections.

5. Fees.

As consideration for the commitments of the Initial Lenders hereunder and for the agreement of the Joint Bookrunners to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the Term Sheet and in the Fee Letter

dated the date hereof and delivered herewith with respect to the Facility (the "Fee Letter"), if and to the extent payable. Once paid, such fees shall not be refundable under any circumstances except as expressly otherwise agreed in writing.

6. Conditions.

The commitments of the Initial Lenders hereunder to fund the Facility on the Closing Date and the agreements of the Joint Bookrunners to perform the services described herein are subject solely to (a) the conditions set forth in the section entitled "Conditions Precedent" in Exhibit B hereto and (b) the conditions set forth in Exhibit C hereto and, upon satisfaction (or waiver by all Commitment Parties) of such conditions and the condition in the next succeeding paragraph, the initial funding of the Facility shall occur.

In addition, the commitments of the Initial Lenders hereunder are subject to the execution and delivery by the Borrower and Guarantors of (a) the Finance Documents, consistent with the Commitment Letter, the Term Sheet and Fee Letter and otherwise mutually agreed to be customary and appropriate for transactions and credits of this type, subject to the Conditionality Provision (as defined below) and (b) customary legal opinions with respect to the Borrower and the Guarantors (including opinions from Nebraska counsel that (i) the pledge of the equity of the Target would not violate Nebraska law and (ii) no governmental consents (other than those that have been obtained) are required in connection with the Facility and the pledge of the equity of Target, in each case subject to customary qualifications and limitations), customary evidence of authorization (including, without limitation, the delivery of an officer's certificate certifying that the Borrower has delivered a transaction presentation, including with respect to initial capitalization, to the extent permitted by applicable law, substantially consistent with that provided to the Lead Arrangers prior to the date hereof, to the appropriate Nebraska regulatory authorities), customary officers' certificates, good standing certificates (to the extent applicable) of the Borrower and the Guarantors in their respective jurisdictions of organization. Without limiting the conditions precedent to funding provided herein, you and the Joint Bookrunners will cooperate with each other in coordinating the timing and procedures for the funding of the Facility in a manner consistent with the Acquisition Agreement. We agree that the Finance Documents will be initially drafted by your counsel.

Notwithstanding anything in this Commitment Letter (including each of the exhibits attached hereto), the Fee Letter, the Finance Documents or any other letter agreement or other undertaking concerning the financing of the Transactions to the contrary, (i) the only representations and warranties the accuracy of which shall be a condition to the availability of the Facility on the Closing Date shall be (A) such of the representations made by the Target or any of its affiliates with respect to the Target and its subsidiaries in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you (or your affiliate) have the right to terminate your

(or its) obligations under the Acquisition Agreement or to decline to consummate the Acquisition (in each case, in accordance with the terms thereof) as a result of a breach of such representations in the Acquisition Agreement (to such extent, the "Specified Acquisition Agreement Representations") and (B) the Specified Representations (as defined below) in the Finance Documents and (ii) the terms of the Finance Documents shall be in a form such that they do not impair the availability of the Facility on the Closing Date if the conditions set forth in this Section 6, in the section entitled "Conditions Precedent" in Exhibit B hereto and in Exhibit C hereto are satisfied (it being understood that, to the extent any security interest in any Collateral is not or cannot be provided and/or perfected on the Closing Date (other than the pledge and perfection of the security interests in equity securities of the Borrower and assets with respect to which a lien may be perfected by the filing of a financing statement under the Uniform Commercial Code) after your use of commercially reasonable efforts to do so or without undue burden or expense, then the provision and/or perfection of a security interest in such Collateral shall not constitute a condition precedent to the availability of the Facility on the Closing Date, but instead shall be required to be delivered no later than 90 days after the Closing Date pursuant to arrangements and timing to be mutually agreed by the Administrative Agent and the Borrower, in each case acting reasonably, as such period may be extended by the Administrative Agent at its sole discretion. For purposes hereof, "Specified Representations" means the representations and warranties of the Borrower and the Guarantors set forth in the Finance Documents relating to corporate or other organizational existence, power and authority, due authorization, execution and delivery, and enforceability in each case, related to the entering into and performance of the Finance Documents and the incurrence of loans, the provision of guarantees and the granting of security as contemplated herein not violating or conflicting with organizational documents of the Borrower and the Guarantors, solvency as of the Closing Date (after giving effect to the Transactions) of the Borrower (with solvency to be defined in a manner consistent with the solvency certificate to be delivered in the form set forth in Annex I attached to Exhibit C hereto), Federal Reserve margin regulations, the Investment Company Act and the use of loan proceeds not violating OFAC, the PATRIOT Act and, subject to the provisions of this paragraph, creation, validity and perfection of security interests in the Collateral. This paragraph, and the provisions herein, shall be referred to as the "Conditionality Provision."

7. Indemnity.

To induce the Commitment Parties to enter into this Commitment Letter and the Fee Letter and to proceed with the documentation of the Facility, you agree (a) to indemnify and hold harmless each Commitment Party, its affiliates and the respective members, partners, officers, directors, employees, agents, advisors, controlling persons and other representatives of each of the foregoing (each, an "Indemnified Person"; provided that any of the foregoing solely in its capacity as financial advisor to the Seller in connection with the Acquisition (each a "Sell-Side Advisor") and any of such Sell-

Side Advisor's affiliates or any of its or their respective members, partners, officers, directors, employees, agents, advisors, controlling persons, and other representatives in such capacity shall not be an Indemnified Person) from and against any and all losses, claims, damages and liabilities of any kind or nature and reasonable and documented or invoiced out-of-pocket fees and expenses, joint or several, to which any such Indemnified Person may become subject to the extent arising out of, resulting from or in connection with any claim, litigation, investigation or proceeding resulting from this Commitment Letter (including the Term Sheets), the Fee Letter, the Acquisition Agreement, the Transactions, the Facility or any use of the proceeds thereof (any of the foregoing, a "Proceeding"), regardless of whether any such Indemnified Person is a party thereto, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors, the Borrower or any other third person, and to reimburse each such Indemnified Person upon demand for any reasonable and documented or invoiced out-of-pocket legal expenses of one firm of counsel and one firm of special insurance counsel for all such Indemnified Persons, taken as a whole and, if reasonably necessary, of a single local counsel in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) for all such Indemnified Persons, taken as a whole (and, in the case of an actual or perceived conflict of interest where the Indemnified Person affected by such conflict informs you of such conflict and thereafter retains its own counsel, of another firm of counsel for such affected Indemnified Person) and other reasonable and documented or invoiced out-of-pocket fees and expenses incurred in connection with investigating or defending any of the foregoing; provided that the foregoing indemnity will not, as to any Indemnified Person (or any of such Indemnified Person's affiliates or any of its or their respective members, partners, officers, directors, employees, agents, advisors, controlling persons, and other representatives), apply to losses, claims, damages, liabilities or related expenses to the extent that they have resulted from (i) the willful misconduct, bad faith or gross negligence (as determined by a court of competent jurisdiction in a final and non-appealable decision) of such Indemnified Person or any of such Indemnified Person's affiliates or any of its or their respective members, partners, officers, directors, employees, agents, advisors, controlling persons or other representatives, (ii) a material breach of the obligations of such Indemnified Person or any of such Indemnified Person's affiliates under this Commitment Letter, the Term Sheet or the Fee Letter (as determined by a court of competent jurisdiction in a final and non-appealable decision) or (iii) any Proceeding that does not involve an act or omission by you or any of your affiliates and that is brought by an Indemnified Person against any other Indemnified Person (other than any claims against any Commitment Party in its capacity or in fulfilling its role as an Administrative Agent or arranger or any similar role under the Facility) and (b) to reimburse each Commitment Party from time to time, upon presentation of a summary statement, for all reasonable and documented or invoiced out-of-pocket expenses, due diligence expenses, syndication expenses, travel expenses and reasonable fees, disbursements and other charges of counsel to the Commitment Parties identified in the Term Sheet, of a single special insurance counsel to the Commitment Parties and of a single local counsel to the

Commitment Parties in each appropriate jurisdiction (which may include a single special counsel acting in multiple jurisdictions) and of such other counsel retained with your prior written consent (such consent not to be unreasonably withheld or delayed) or retained in connection with enforcement of this Commitment Letter or the Fee Letter, in each case incurred in connection with the Facility and the preparation, negotiation and enforcement of this Commitment Letter, the Fee Letter, the Finance Documents and any security arrangements in connection therewith (collectively, the "Expenses"); provided that if the Closing Date does not occur, such Expenses (excluding amounts owing to Paul Hastings LLP in its capacity as counsel to the Commitment Parties and Kutak Rock LLP in its capacity as special insurance counsel to the Commitment Parties) shall not exceed an amount equal to \$250,000. The foregoing provisions in this paragraph shall be superseded in each case, to the extent covered thereby, by the applicable provisions contained in the Finance Documents upon execution thereof and thereafter shall have no further force and effect.

You shall not, without the prior written consent of any Indemnified Person (which consent shall not be unreasonably withheld or delayed), effect any settlement of any pending or threatened proceedings in respect of which indemnity could have been sought hereunder by such Indemnified Person unless such settlement (i) includes an unconditional release of such Indemnified Person in form and substance reasonably satisfactory to such Indemnified Person from all liability or claims that are the subject matter of such proceedings and (ii) does not include any statement as to or any admission of fault, culpability, wrongdoing or a failure to act by or on behalf of any Indemnified Person.

Notwithstanding any other provision of this Commitment Letter or the Fee Letter, (i) no Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained through internet, electronic, telecommunications or other information transmission systems, except to the extent that such damages have resulted from the willful misconduct, bad faith, gross negligence of, or a material breach of the obligations under this Commitment Letter, the Term Sheet or the Fee Letter by, such Indemnified Person or any of such Indemnified Person's affiliates or any of its or their respective members, partners, officers, directors, employees, agents, advisors, controlling persons or other representatives (as determined by a court of competent jurisdiction in a final and non-appealable decision) and (ii) none of we, you, the Borrower, the Sponsor, any Investor, the Target or any Indemnified Person shall be liable for any indirect, special, punitive or consequential damages in connection with this Commitment Letter, the Fee Letter, the Transactions (including the Facility and the use of proceeds thereunder), or with respect to any activities related to the Facility, including the preparation of this Commitment Letter, the Fee Letter and the Finance Documents; provided that nothing contained in this paragraph shall limit your indemnity and reimbursement obligations to the extent such indirect, special, punitive or consequential damages are included in any third party claim with respect to which the applicable

Indemnified Person is entitled to indemnification under the first paragraph of this Section 7.

You shall not be liable for any settlement of any Proceeding effected without your consent (which consent shall not be unreasonably withheld or delayed), but if settled with your written consent or if there is a final and non-appealable judgment by a court of competent jurisdiction for the plaintiff in any such Proceeding, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement or judgment in accordance with the other provisions of this Section 7.

It is further agreed that the Initial Lenders shall be severally liable in respect of their respective commitments to the Facility, on a several, and not joint, basis with any other Initial Lender, and no Initial Lender shall be responsible for the commitment of any other Initial Lender.

8. Sharing of Information, Absence of Fiduciary Relationships, Affiliate Activities.

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including, without limitation, financial advisory services) to other persons in respect of which you, the Target and your and their respective affiliates may have conflicting interests regarding the transactions described herein and otherwise. None of the Commitment Parties or their affiliates will use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or their other relationships with you in connection with the performance by them or their affiliates of services for other persons, and none of the Commitment Parties or their affiliates will furnish any such information to other persons, except to the extent permitted below. You also acknowledge that none of the Commitment Parties or their affiliates has any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by them from other persons.

As you know, certain of the Commitment Parties may be full service securities firms engaged, either directly or through their affiliates, in various activities, including securities trading, commodities trading, investment management, financing and brokerage activities and financial planning and benefits counseling for both companies and individuals. In the ordinary course of these activities, certain of the Commitment Parties and their respective affiliates may actively engage in commodities trading or trade the debt and equity securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of you, the Target and other companies which may be the subject of the arrangements contemplated by this Commitment Letter for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities. Certain of the Commitment Parties or their affiliates may also co-invest with, make direct investments in, and invest or co-invest

client monies in or with funds or other investment vehicles managed by other parties, and such funds or other investment vehicles may trade or make investments in securities of you, the Target or other companies which may be the subject of the arrangements contemplated by this Commitment Letter or engage in commodities trading with any thereof.

The Commitment Parties and their respective affiliates may have economic interests that conflict with those of the Target and you. You agree that the Commitment Parties will act under this letter as independent contractors and that nothing in this Commitment Letter or the Fee Letter will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Commitment Parties and you and the Target, your and their respective equity holders or your and their respective affiliates. You acknowledge and agree that (i) the transactions contemplated by this Commitment Letter and the Fee Letter are arm's-length commercial transactions between the Commitment Parties and their affiliates, on the one hand, and you, on the other, (ii) in connection therewith and with the process leading to such transaction each Commitment Party and its applicable affiliates (as the case may be) is acting solely as a principal and not as agents or fiduciaries of you, the Target, your and their management, stockholders, creditors, affiliates or any other person, (iii) the Commitment Parties and their applicable affiliates (as the case may be) have not assumed an advisory or fiduciary responsibility or any other obligation in favor of you or your affiliates with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Commitment Parties or any of their respective affiliates have advised or are currently advising you or the Target on other matters) except the obligations expressly set forth in this Commitment Letter and the Fee Letter and (iv) you have consulted your own legal and financial advisors to the extent you deemed appropriate. You further acknowledge and agree that neither we nor any of our affiliates are advising you as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction and you are responsible for making your own independent judgment, in each case with respect to the transactions contemplated hereby and the process leading thereto. You agree that you will not claim that the Commitment Parties or their applicable affiliates, as the case may be, have rendered advisory services in connection with the services provided pursuant to this Commitment Letter, or owe a fiduciary or similar duty to you or your affiliates, in connection with the transactions contemplated hereby or the process leading thereto. You waive, to the fullest extent permitted by law, any claims you may have against us or our affiliates (in our capacities as Commitment Parties hereunder) for breach of fiduciary duty or alleged breach of fiduciary duty arising out of this Commitment Letter and agree that we and our affiliates shall have no liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting such a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors. It is understood that this paragraph shall not apply to or modify or otherwise affect any arrangement with any Sell-Side Advisor, or any financial advisor separately retained by you or any of your affiliates in connection with the Acquisition, in its capacity as such.

9. Confidentiality.

You agree that you will not disclose the Fee Letter or the contents thereof or this Commitment Letter, the Term Sheet, the other exhibits or annexes hereto or the contents thereof to any person or entity without prior written approval of the Joint Bookrunners (such approval not to be unreasonably withheld, conditioned or delayed), except (a) to the Investors (as defined below), and to any of your and the Investors' affiliates and your and their respective officers, directors, agents, employees, attorneys, accountants, advisors, controlling persons or equity holders and to actual and potential co-investors who are informed of the confidential nature hereof and thereof (and, in each case, each of their attorneys) on a confidential basis, (b) if the Commitment Parties consent in writing to such proposed disclosure or (c) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law or legal process or to the extent requested or required by governmental and/or regulatory authorities, in each case based on the reasonable advice of your legal counsel (in which case you agree, to the extent practicable and not prohibited by applicable law, to inform us promptly thereof prior to disclosure); provided that (i) you may disclose this Commitment Letter, the Term Sheet and other exhibits and annexes to the Commitment Letter and the contents thereof (but not the Fee Letter) to the Target, its subsidiaries and affiliates and their respective officers, directors, agents, employees, attorneys, accountants, advisors, controlling persons or equity holders (and each of their attorneys), on a confidential and need to know basis, (ii) you may disclose the Commitment Letter, the Term Sheet and other exhibits and annexes to the Commitment Letter and the contents thereof (but not the Fee Letter) in any syndication or other marketing materials in connection with (x) interests in the Parent, (y) the Facility or (z) any other financing for the Transactions described in Exhibit A hereto or in connection with any public release or filing relating to the Transactions, (iii) you may disclose the Commitment Letter, Term Sheet and other exhibits and annexes to the Commitment Letter and in each case the contents thereof, to potential Lenders, (iv) you may disclose the aggregate fee amounts contained in the Fee Letter as part of the Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Facility or to the extent customary or required in any public release or filing relating to the Transactions, (v) you may disclose this Commitment Letter, the Term Sheet and other exhibits and annexes to the Commitment Letter, and the contents thereof (but not the Fee Letter) to the extent that such information becomes publicly available other than by reason of improper disclosure by you in violation of any confidentiality obligations hereunder and (vi) to the extent portions thereof relating to fees, pricing caps, economic flex terms and other economic terms reasonably agreed by us have been redacted, you may disclose the Fee Letter and the contents thereof to the Target, its subsidiaries and affiliates and their respective officers, directors, agents, employees, attorneys, accountants, advisors, controlling persons or equity holders (and each of their attorneys), on a confidential basis. The obligations

under this paragraph with respect to the Commitment Letter (but not the Fee Letter) shall terminate automatically after the Finance Documents shall have been executed and delivered by the parties thereto. To the extent not earlier terminated, the provisions of this paragraph with respect to the Commitment Letter (but not the Fee Letter) shall automatically terminate on the second anniversary hereof.

The Commitment Parties and their affiliates will use all information provided to them or such affiliates by or on behalf of you hereunder or in connection with the Acquisition and the related Transactions solely for the purpose of providing the services which are the subject of this Commitment Letter and shall treat confidentially all such information and shall not publish, disclose or otherwise divulge, such information; provided that nothing herein shall prevent the Commitment Parties and their affiliates from disclosing any such information (a) pursuant to the order of any court or administrative agency or in any pending legal, judicial or administrative proceeding, or otherwise as required by applicable law or compulsory legal process based on the advice of legal counsel (in which case the Commitment Parties agree (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure), (b) upon the request or demand of any regulatory authority having jurisdiction over the Commitment Parties or any of their respective affiliates (in which case the Commitment Parties agree, to the extent practicable and not prohibited by applicable law, to inform you promptly thereof prior to disclosure (except with respect to any audit or examination conducted by bank accountants or any governmental bank regulatory authority exercising examination or regulatory authority)), (c) to the extent that such information becomes publicly available other than by reason of improper disclosure by the Commitment Parties or any of their affiliates or any of the respective related parties of the Commitment Parties and their affiliates (including any of the parties referred to in clause (f) below) in violation of any confidentiality obligations owing to you, the Investors, the Target or any of your or their respective affiliates or any of your or their respective related parties (including those set forth in this paragraph), (d) to the extent that such information is received by the Commitment Parties from a third party that is not, to the Commitment Parties' knowledge, subject to contractual or fiduciary confidentiality obligations owing to you, the Investors, the Target or any of your or their respective affiliates or any of your or their respective related parties, (e) to the extent that such information is independently developed by the Commitment Parties, (f) to the Commitment Parties' affiliates and to the respective officers, directors, employees, legal counsel, independent auditors, professionals and other experts or agents of the Commitment Parties and their affiliates who need to know such information in connection with the Transactions and who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential and are subject to confidentiality obligations substantially similar to those set forth in this paragraph or as are otherwise reasonably acceptable to you and the

Commitment Parties (provided that the Commitment Parties agree to be responsible for any breach by any such person of such confidentiality obligations), (g) to potential or prospective Lenders, participants or assignees and to any direct or indirect contractual counterparty to any swap or derivative transaction relating to the Borrower or any of its subsidiaries, subject to the proviso below or (h) to the extent you shall have consented to such disclosure in writing; provided that (x) the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and each Commitment Party, including, without limitation, as agreed in any Information Materials or other marketing materials) in accordance with the standard syndication processes of such Commitment Party or customary market standards for dissemination of such type of information, which shall in any event require "click through" or other affirmative actions on the part of the recipient to access such information and (y) no such disclosure shall be made by such Commitment Party to any Disqualified Lender. The Commitment Parties' and their affiliates', if any, obligations under this paragraph shall terminate automatically and be superseded by the confidentiality provisions in the Finance Documents upon the initial funding thereunder. Notwithstanding anything to the contrary, this paragraph shall automatically terminate on the second anniversary hereof.

10. Miscellaneous.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto (other than (i) by you to a newly formed shell entity organized and existing under the laws of a State of the United States which is and will be controlled by you and after giving effect to the Transactions shall directly or through a wholly owned subsidiary wholly own the Target or be the successor to the Target or (ii) subject to the proviso to the first sentence in Section 3 hereof, in connection with the syndication of the Facility as contemplated hereunder, in each case, without the prior written consent of each other party hereto (such consent not to be unreasonably withheld or delayed) (and any attempted assignment without such consent shall be null and void). This Commitment Letter and the commitments hereunder are, and are intended to be, solely for the benefit of the parties hereto (and Indemnified Persons) and do not, and are not intended to, confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons to the extent expressly set forth herein). Subject to the limitations set forth in Section 3 above, the Commitment Parties reserve the right to employ the services of their affiliates or branches in providing services contemplated hereby and to allocate, in whole or in part, to their affiliates or branches certain fees payable to the Commitment Parties in such manner as the Commitment Parties and their affiliates or branches may agree in their sole discretion and, to the extent so employed, such affiliates and branches shall be entitled to the benefits and protections

afforded to, and subject to the obligations of the Commitment Parties hereunder. Except as contemplated by Section 2 hereof, this Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or other electronic transmission (e.g., a "pdf" or "tiff") shall be effective as delivery of an original executed counterpart hereof. This Commitment Letter (including the exhibits hereto), together with the Fee Letter, (i) are the only agreements that have been entered into among the parties hereto with respect to the Facility and (ii) supersede all prior understandings, whether written or oral, among us with respect to the Facility and sets forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER AND ANY DISPUTE ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, REGARDLESS OF THE LAWS THAT MIGHT OTHERWISE GOVERN UNDER APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS THEREOF.

Each of the parties hereto agrees that this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including an agreement to negotiate in good faith the Finance Documents by the parties hereto in a manner consistent with this Commitment Letter, it being acknowledged and agreed that the commitment provided hereunder is subject to conditions precedent as provided herein, subject to the Conditionality Provision.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER OR THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in New York County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, and agrees that all claims in respect of any such action or proceeding shall be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby in any New York State court or in any such

Federal court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (d) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto agrees that service of process, summons, notice or document by registered mail addressed to you or us at the addresses set forth above shall be effective service of process for any suit, action or proceeding brought in any such court.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "PATRIOT Act"), each of us and each of the Lenders may be required to obtain, verify and record information that identifies the Borrower and the Guarantors, which information may include their names, addresses, tax identification numbers and other information that will allow each of us and the Lenders to identify the Borrower and the Guarantors in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for each of us and the Lenders.

The indemnification, compensation (if applicable), reimbursement (if applicable), jurisdiction, governing law, venue, waiver of jury trial, syndication (if applicable), absence of fiduciary relationships and confidentiality provisions contained herein and in the Fee Letter shall remain in full force and effect regardless of whether Finance Documents shall be executed and delivered and notwithstanding the termination or expiration of this Commitment Letter or the Initial Lenders' commitments hereunder; provided that your obligations under this Commitment Letter (other than your obligations with respect to (a) assistance to be provided in connection with the syndication thereof (including supplementing and/or correcting Information and Projections) prior to the Syndication Date and (b) confidentiality of the Fee Letter and contents thereof) shall automatically terminate and be superseded by the provisions of the Finance Documents upon the initial funding thereunder, and you shall automatically be released from all liability in connection therewith at such time. You may terminate this Commitment Letter and/or, on a pro rata basis, the Initial Lenders' commitments with respect to the Facility (or any portion thereof pro rata across the Facility) hereunder at any time subject to the provisions of the preceding sentence.

Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to Royal Bank, on behalf of the Commitment Parties, executed counterparts hereof and of the Fee Letter not later than 11:59 p.m., New York City time, on July 17, 2013. The Initial Lenders' commitments and the obligations of the Joint Bookrunners hereunder will

expire at such time in the event that Royal Bank has not received such executed counterparts in accordance with the immediately preceding sentence. If you do so execute and deliver to us this Commitment Letter and the Fee Letter, we agree to hold our commitment available for you until the earlier of (i) the consummation of the Acquisition with or without the funding of the Facility (or earlier termination of the Acquisition Agreement in accordance with its terms) and (ii) April 17, 2014; provided that if the Seller (as defined in Exhibit A) exercises its right to extend such date pursuant to Section 9.1(b) of the Acquisition Agreement, such date shall be extended to July 16, 2014 (such earlier time, the "Expiration Date"). Upon the occurrence of any of the events referred to in the preceding sentence, this Commitment Letter and the commitments of the Commitment Parties hereunder and the agreement of the Joint Bookrunners to provide the services described herein shall automatically terminate unless each of the Commitment Parties (as to itself) shall, in its discretion, agree to an extension in writing.

[Remainder of this page intentionally left blank]

We are pleased to have been given the opportunity to assist you in connection with the financing for the Transactions.

Very truly yours,

ROYAL BANK OF CANADA

By: Patrizia Lloyd
Name: **Patrizia Lloyd**
Title: **Authorized Signatory**

**THE ROYAL BANK OF SCOTLAND
PLC**

By: _____
Name:
Title:

RBS SECURITIES INC.

By: _____
Name:
Title:

Accepted and agreed to as of
the date first above written:

RESOLUTION LIFE HOLDINGS, INC.

By: 

Name: W. Weldon Wilson
Title: President & Secretary

**Project Lighthouse
Transaction Description**

Capitalized terms used but not defined in this Exhibit A shall have the meanings set forth in the Commitment Letter. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit A shall be determined by reference to the context in which it is used.

Holdings or its affiliates intend to consummate the Acquisition contemplated by the Acquisition Agreement (as defined below).

In connection with the foregoing, it is intended that:

(a) Prior to the execution and delivery of the Acquisition Agreement, certain investors (the "Investors") will have made an initial capital contribution to Resolution Life LP, a Bermuda limited partnership (the "Parent") as limited partners, in an aggregate amount of \$70,000,000; (the "Initial Investor Contribution"), and a portion of the proceeds of the Initial Investor Contribution will be contributed by Parent (through one or more holding companies) to Holdings (the "Initial Equity Contribution").

Holdings, Seller and The Bank of New York Mellon (the "Escrow Agent") have entered into an Escrow Agreement, dated July 16, 2013, pursuant to which Holdings deposited a portion of the Initial Equity Contribution (in the amount of \$60,000,000) into an account maintained by the Escrow Agent to support Holdings' obligations under the Acquisition Agreement.

In connection with the consummation of the Acquisition, (a) Investors will make an additional cash contribution to Parent as limited partners, in an aggregate amount not to exceed \$437,000,000 under the Subscription Agreements, dated as of July 11, 2013, as amended by the Amendment to the Subscription Agreement, dated as of July 17, 2013 (collectively, the "Subscription Agreements"), by and between Parent and the Investors and (b) certain additional investors may make additional cash contributions to Parent as limited partners (collectively, the "Investor Additional Contribution"). The proceeds of the Investor Additional Contribution (or a portion thereof) in an aggregate amount of not less than \$412,000,000 will be contributed by Parent (through one or more holding companies) to Borrower (together with the Initial Equity Contribution, the "Equity Contribution"), provided, however, that the amount of the Equity Contribution will be reduced to the extent that an amount less than the Equity Contribution is required for Holdings, when taken together with the AXXX Financing and the Facility, to fund the Acquisition Costs (as defined herein) because Holdings has available funds from other sources (including from dividends paid by the Target in connection

with the consummation of the Acquisition obtained consistently with the terms of the Acquisition Agreement (the "Dividend Payment").

(b) As permitted by the Stock Purchase Agreement (together with all exhibits and schedules and other attachments thereto, collectively, the "Acquisition Agreement") among Allstate Life Insurance Company (the "Seller"), Holdings and Parent, Holdings proposes to assign to the Borrower its rights under the Acquisition Agreement to purchase shares of the Target, and the Borrower will consummate the Acquisition.

(c) The Borrower will obtain up to \$175 million under a senior secured term loan facility described in Exhibit B to the Commitment Letter (the "Facility"); provided that the Facility shall be reduced by the amount (up to \$25 million) of any drawing under the Hannover Life Reassurance Financing (as defined herein) or any alternative to such Hannover Life Reassurance Financing.

(d) The Borrower will enter into a facility pursuant to which Hannover Life Reassurance Company of America will agree to provide financing for a portion of the statutory reserves of the Target's to-be-formed captive insurance company subsidiary in an amount initially expected to be approximately \$513,000,000 (or a lesser amount if the Nebraska Department of Insurance requires, provided that such lesser amount shall not be less than \$450,000,000 in Financed Amounts (as such term is defined in the Acquisition Agreement)) and ultimately expected to increase to up to \$1,282,000,000 (the "AXXX Financing").

(e) The Borrower will cause Target to enter into a coinsurance agreement (on a funds withheld or modified coinsurance basis) on certain universal life insurance policies and annuity contracts and a yearly renewable term reinsurance agreement on certain universal life and term life insurance policies with Hannover Life Reassurance Company of America which is expected to decrease the Target's company action level risk-based capital by approximately \$28,500,000 as of the closing of the Acquisition (the "Hannover Life Reassurance Financing").

(f) Under the circumstances set forth in either Section 6.1(c) or Section 5.15(b) of the Acquisition Agreement, Seller shall have the option, in its sole discretion, to purchase from the Target surplus notes or preferred stock (collectively, the "Closing Surplus Notes") having the terms set forth in Exhibit J to the Acquisition Agreement (the "Surplus Note Term Sheet") in an aggregate principal amount or with an aggregate liquidation preference as set forth in those sections of the Acquisition Agreement.

(g) The proceeds of the Equity Contribution (as reduced by the Dividend Payment (if any)), the Facility, the Hannover Life Reassurance

Financing, the AXXX Financing, the Closing Surplus Notes (if any) will be applied (i) to pay the purchase price in connection with the Acquisition, (ii) to pay the fees, costs and expenses incurred in connection with the Transactions (such fees and expenses, the "Transaction Costs") or (iii) to capitalize Target (the amounts set forth in clauses (i) through (iii) above, collectively, the "Acquisition Costs").

The transactions described in this Exhibit A (including the payment of Transaction Costs) are collectively referred to herein as the "Transactions".

**Project Lighthouse
Facility
Summary of Principal Terms and Conditions²
[Attached]**

² All capitalized terms used but not defined herein shall have the meanings given to them in the Commitment Letter to which this term sheet is attached, including the exhibits thereto.

**PROJECT LIGHTHOUSE
TERM SHEET
FOR
TERM CREDIT FACILITY**

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PART 1 - THE FACILITY

- Facility:** A senior secured term loan facility ranking at least *pari passu* with all other secured and unsubordinated obligations of the Borrower, other than by operation of law (the "Facility").
- Amount:** \$175 million provided that the Facility shall be reduced by the amount of any drawing under the Hannover Life Reassurance Financing (as defined in Exhibit A to the Commitment Letter) or any alternative to such Hannover Life Reassurance Financing.
- Borrower:** Resolution Life, Inc., a Delaware corporation (the "Borrower").
- Parent:** Resolution Life LP, a Bermuda limited partnership (the "Parent").
- Holdco:** Resolution Life Holdings, Inc., a Delaware corporation ("Holdco").
- Administrative Agent:** Royal Bank of Canada (in such capacity, the "Administrative Agent").
- Lead Arrangers:** RBC Capital Markets and RBS Securities Inc.
- Documentation Agent:** The Royal Bank of Scotland plc.
- Lenders:** Initially Royal Bank of Canada and The Royal Bank of Scotland plc (the "Initial Lenders").
- After completion of the general syndication of the Facility, any assignments and transfers shall operate in accordance with the provisions of the Finance Documents (as defined below).
- The Initial Lenders, together with the Lead Arrangers and Administrative Agent, are the "Finance Parties".
- Purpose:** To finance a portion of:
- (a) the purchase price for the Target (as defined below) payable by the Borrower; and
 - (b) the fees, commissions, costs and expenses incurred in connection with the Acquisition (as defined in the Commitment Letter) by any member of the Group (as defined below) or the Parent (the "Acquisition Costs").
- Availability:** The Facility will be available in a single drawing on the Closing Date (as defined below). Amounts borrowed under the Facility that are repaid or prepaid may not be reborrowed.
- Closing** The "Closing" will occur upon completion of the Acquisition in accordance with the Acquisition Agreement (as defined in the Commitment Letter) and the funding of the Facility (as defined below) in accordance with the terms hereof. The "Closing Date" will be the date on which Closing occurs.

Maturity Date:

Fourth anniversary of the Closing Date (the "Maturity Date").

Repayment:

The Facility will amortize in equal annual installments, with 25% of the original principal amount of the Facility becoming due on each of the first, second and third anniversaries of the Closing Date and on the Maturity Date; provided that the Finance Documents shall provide the right for individual Lenders under the Facility to agree to extend the Maturity Date of all or a portion of the outstanding loans upon the request of the Borrower and without the consent of any other Lender; it being understood that each Lender under the applicable tranche or tranches that are being extended shall have the opportunity to participate in such extension on the same terms and conditions as each other Lender in such tranche or tranches.

PART 2 - PRICING

Margin:

4.25% per annum, in the case of a LIBOR loan or 3.25% per annum, in the case of an ABR loan (the "Margin"). From and after the delivery by the Borrower to the Administrative Agent of Holdco's financial statements (or that of a direct or indirect parent of Holdco to be agreed) for the first full fiscal quarter of Holdco completed after the Closing Date, interest rate spreads with respect to the Facility shall be subject to step-downs in accordance with the following grid:

<u>Level</u>	<u>Debt to Combined Statutory Capital and Surplus Ratio</u>	<u>Applicable Margin</u>	
		<u>Base Rate</u>	<u>Adjusted LIBOR</u>
I	>15%	3.25%	4.25%
II	≤15% but >10%	2.75%	3.75%
II	≤10%	2.50%	3.50%

Ticking Fee:

0.50% per annum on the aggregate amount of the commitments in respect of the Facility for the first 120 days after the date hereof, to be increased by 0.25% for each subsequent 120 day period, in all cases calculated based on the number of days elapsed in a 360-day year. Such fee shall accrue quarterly and shall be payable on January 17, 2014 and on the last day of each fiscal quarter thereafter, provided that on the earlier of (i) the termination in full of the commitments or (ii) the Closing Date any such fees that are accrued but unpaid shall become immediately due and payable.

PART 3 - OTHER TERMS

- Target:** As defined in the Commitment Letter.
- Group:** Holdco and its subsidiaries (including, on and from the Closing Date, the Target) (the "Group").
- Guarantors:** The obligations with respect to the Facility shall be guaranteed (the "Guarantees") by Holdco and any current or future direct or indirect intermediate holding company of the Borrower (the "Guarantors").
- Transaction Security:** Subject to the limitations set forth below in this section and subject to the Conditionality Provision (as defined in the Commitment Letter), the obligations with respect to the Facility shall be secured by (i) a pledge by Holdco of all of its assets, including the equity of the Borrower, (ii) a pledge by the Borrower of all of its assets, including the equity of the Target and any other subsidiary owned directly by the Borrower and (iii) a pledge of the assets, including the equity interests owned by, any future direct or indirect holding company of the Borrower, but excluding, in each case, the Excluded Assets (as defined below) (collectively, the "Collateral").

Notwithstanding anything to the contrary, the Collateral shall exclude the following: (i) pledges and security interests prohibited by applicable law, rule or regulation; (ii) equity interests in any person, other than wholly owned subsidiaries, to the extent not permitted by the terms of the such person's organizational documents or joint venture documents; (iii) in excess of 65% of the voting capital stock of (A) any subsidiaries not organized under the laws of the United States or any state thereof or (B) any FSHCO; (iv) assets to the extent a security interest in such assets would result in material adverse tax consequences (including as a result of the operation of Section 956 of the IRS Code or any similar law or regulation in any applicable jurisdiction) as reasonably determined by the Borrower in consultation with the Administrative Agent; (v) any lease, license or other agreement or contract or any property subject to a purchase money security interest or similar arrangement to the extent that a grant of a security interest therein would violate or invalidate such lease, license or agreement or contract or purchase money arrangement or create a right of termination in favor of any other party thereto (other than the Borrower or a wholly owned subsidiary) after giving effect to the applicable anti-assignment provisions of the Uniform Commercial Code other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the Uniform Commercial Code notwithstanding such prohibition, (vi) any foreign intellectual property and (vii) other exceptions to be mutually agreed upon (the foregoing described in clauses (i) through (vii) are, collectively, the "Excluded Assets"). In addition, in no event shall (a) notices be required to

be sent to account debtors or other contractual third-parties prior to the occurrence and during the continuance of an event of default, (b) other than with respect to the Payment Reserve Account (if any), control agreements or control or similar arrangements be required with respect to deposit or securities accounts, (c) perfection (except to the extent perfected through the filing of Uniform Commercial Code financing statements) be required with respect to letter of credit rights and commercial tort claims or (d) security documents governed by the laws of a jurisdiction other than the United States or any state thereof be required.

Documentation:

The Credit Agreement and other finance documents (the "Finance Documents") will be prepared by counsel to the Borrower.

The Finance Documents will reflect all of the provisions set out in the final form of this Exhibit B to the Commitment Letter (the "Term Sheet") and will contain only those conditions to borrowing, mandatory prepayments, representations, warranties, covenants and events of default expressly set forth in this Term Sheet and other terms and provisions to be mutually agreed upon, the definitive terms of which will be negotiated in good faith and shall be otherwise consistent with this Term Sheet.

Material Company:

(i) the Borrower, (ii) Holdco and (iii) each Insurance Subsidiary other than any Insurance Subsidiary designated by Borrower as not being a Material Company, provided that such designated Insurance Subsidiaries do not have, in the aggregate, (a) a Combined Statutory Capital and Surplus representing more than 10% of the Combined Statutory Capital and Surplus of the Insurance Subsidiaries in the Group as a whole and (b) gross assets representing more than 10% of consolidated gross assets of the Insurance Subsidiaries in the Group as a whole (each a "Material Company").

A separate account established pursuant to SAP or any applicable insurance regulatory requirement shall be deemed not to be a subsidiary.

Conditions Precedent:

The making of the loan under the Facility on the Closing Date will be subject solely to (a) satisfaction of the conditions in Section 6 of the Commitment Letter, (b) satisfaction of the conditions in Exhibit C to the Commitment Letter and (c) delivery of a customary borrowing notice.

Prepayment for Illegality, increased costs, tax etc.:

If the illegality provisions apply or any Lender makes a claim under the increased costs, tax gross up or tax indemnity provisions, that Lender may be prepaid in full (and its Commitment cancelled) at the option of the Borrower.

Mandatory Prepayments:

Loans under the Facility shall be prepaid with 100% of the net cash proceeds (which will be defined to exclude, among other

Disposals:

things, (i) the amount of any tax distribution that the Borrower makes as a result of such sale or disposition and (ii) the repayment of any indebtedness secured by a lien on the asset subject to such prepayment event) of all non-ordinary course asset sales or other dispositions of property by the Borrower and its subsidiaries (excluding, for the avoidance of doubt, any dispositions permitted pursuant to clauses (a) through (h) of "Permitted Disposals").

Mandatory prepayments shall be applied, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of LIBOR borrowings other than on the last day of the relevant interest period, to the scheduled installments of principal of the Facility as directed by the Borrower (and if not so directed, in direct order of maturity).

Prepayments from non-United States subsidiaries' proceeds of their asset sales will be limited under the Finance Documents to the extent such prepayments would result in material adverse tax consequences or would be prohibited or restricted by applicable law, rule or regulation.

Non-Permitted Indebtedness:

Loans under the Facility shall be prepaid with 100% of the net cash proceeds from the issuances of debt obligations of Holdco or any of its subsidiaries after the Closing Date (other than debt permitted to be incurred pursuant to the Finance Documents).

Voluntary Prepayments and Reductions in Commitments:

Voluntary prepayments of borrowings under the Facility will be permitted at any time upon (i) in the case of LIBOR loans, not less than three Business Days' prior notice or (ii) in the case of ABR loans, not less than one Business Day's notice, in minimum principal amounts to be agreed upon, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of LIBOR borrowings other than on the last day of the relevant interest period.

All voluntary prepayments of the Facility will be applied to the remaining amortization payments under the Facility as directed by the Borrower.

Interest Periods:

The Borrower may elect interest periods of 1, 2, 3 or 6 months or any other period agreed between the Borrower and the Lenders.

Interest on Loans:

The sum of:

- (a) the applicable Margin; and
- (b) at the option of the Borrower, LIBOR or ABR.

Default Interest:

With respect to overdue principal, the applicable interest rate plus 2.00% per annum, and with respect to any other overdue amount (including overdue interest), the interest rate applicable

to ABR loans plus 2.00% per annum.

Payment of Interest on Loans:

Interest shall be payable quarterly in arrears, at the end of each interest period and on the Maturity Date.

Calculation of interest shall be on the basis of the actual days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans based on the prime rate).

Yield Protection, Taxes and Other Deductions:

The Finance Documents will contain customary provisions for facilities of this kind in respect of breakage and redeployment costs, increased costs, funding losses, capital adequacy, illegality and requirements of law. The Finance Documents shall contain a customary tax gross-up. For all purposes of the Finance Documents, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines and directives promulgated thereunder and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case, pursuant to Basel III, shall be deemed introduced or adopted after the date of the Finance Documents.

Representations:

The Borrower shall make the specified representations in Schedule 2 (*Representations*).

Affirmative Covenants:

The Borrower shall comply with the specified Affirmative Covenants in Schedule 5 (*Covenants*).

Financial Covenants:

The Borrower shall comply with the specified Financial Covenants in Schedule 4 (*Financial Covenants*).

Negative Covenants:

The Borrower shall comply with the Negative Covenants in relation to the matters set out in Schedule 5 (*Covenants*).

Events of Default:

Events of Default will be limited to the events specified in Schedule 6 (*Events of Default*) (each, an "Event of Default"), in each case if continuing (which will mean until remedied or waived).

Voting:

Amendments and waivers of the Finance Documents will require the approval of Lenders holding more than 66^{2/3}% of the aggregate amount of the loans and commitments under the Facility (the "Required Lenders"), except that (i) the consent of each Lender directly and adversely affected thereby shall also be required with respect to: (A) extensions of the Maturity Date, (B) reductions of principal, interest or fees (but not by virtue of a default waiver or change to a financial ratio) and (C) reductions in the amount of or extensions of scheduled amortization payments or final maturity, (ii) the consent of 100% of the Lenders will be required with respect to (A) modifications to any of the voting percentages and (B) a release of all or substantially

all of the Collateral and/or the Guarantees and (iii) customary protections for the Administrative Agent will be provided.

The Finance Documents will permit amendments thereof without the approval or consent of the Lenders to effect extensions of the Maturity Date under the Facility, in each case as further described under the heading "Repayment" above.

In addition, if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature in the Finance Documents, then the Administrative Agent and the Borrower will be permitted to amend such provision without any further action or consent of any other party if the same is not objected to in writing by the Required Lenders to the Administrative Agent within 10 Business Days following receipt of notice thereof.

Assignments and Participation:

After the Closing Date, the Lenders will be permitted to assign (except to Disqualified Lenders pursuant to customary restrictions to be agreed) loans under the Facility with the consent of the Borrower and the Administrative Agent (in each case not to be unreasonably withheld or delayed); provided that no consent of the Borrower shall be required (i) after the occurrence and during the continuance of an Event of Default or (ii) if such assignment is an assignment to another existing Lender or an affiliate or approved fund of an existing Lender. Each assignment (other than to an existing Lender or an affiliate or approved fund of an existing Lender) will be in a minimum amount of \$5 million and in an integral multiple of \$1 million for any amount in excess thereof (or lesser amounts, if agreed between the Borrower and the Administrative Agent) or, if less, all of such Lender's remaining loans. Assignments will be by novation. The Administrative Agent shall receive a processing and recordation fee of \$3,500 for each assignment (it being understood that such recordation fee shall not apply to any assignments by any of the Initial Lenders or any of their affiliates). For any assignments for which the Borrower's consent is required, such consent shall be deemed to have been given if the Borrower has not responded within ten Business Days of a request for such consent.

The Finance Documents will contain customary provisions permitting the Lenders to sell participations (except to Disqualified Lenders, but solely to the extent that the list of Disqualified Lenders is made available to all Lenders) without the consent of the Borrower in loans and in accordance with applicable law. Voting rights of participants will be limited to matters set forth under "Voting" above with respect to which the unanimous vote of all Lenders (or all directly and adversely affected Lenders, if the participant is directly and adversely affected) would be required. Pledges of loans to the Federal Reserve or other similar central bank will be permitted.

Notwithstanding anything to the contrary set forth above, no Lender will be permitted to assign any loans under the Facility to any Disqualified Lender, and sales of participation interests to any Disqualified Lender will be restricted based on customary terms to be agreed.

Replacement of Lenders:

The Finance Documents will contain customary provisions for replacing non-consenting Lenders in connection with amendments and waivers requiring the consent of all Lenders or of all Lenders directly affected thereby so long as Lenders holding at least 66^{2/3}% of the aggregate amount of the loans under the Facility shall have consented thereto.

Indemnification:

The Borrower shall pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and the Lead Arrangers (without duplication) in connection with the syndication of the Facility and the preparation, execution, delivery, administration, amendment, waiver or modification and enforcement of the Finance Documents (including the reasonable fees, disbursements and other charges of one primary counsel to the Lead Arrangers (and any special, regulatory or local counsel) (absent any actual or potential conflict); provided that, prior to the Closing Date, such counsel shall be identified herein or otherwise retained with the Borrower's consent (such consent not to be unreasonably withheld or delayed)). The Borrower shall indemnify the Administrative Agent, the Lead Arrangers and the Lenders and hold them harmless from and against all reasonable and documented out-of-pocket costs, expenses (including reasonable fees, disbursements and other charges of one firm of counsel for the Lead Arrangers, the Administrative Agent and Lenders and, if necessary, one firm of regulatory counsel and one firm of local counsel in each appropriate jurisdiction) and liabilities of the Lead Arrangers, the Administrative Agent and the Lenders arising out of or relating to any claim or any litigation or other proceeding (regardless of whether the Lead Arrangers, the Administrative Agent or any Lender is a party thereto) that relates to the transactions, including the financing contemplated hereby, the Acquisition or any transactions connected therewith, regardless of whether any such indemnified person is a party thereto and whether or not such proceedings are brought by the Borrower, the Borrower's equity holders, affiliates, creditors or any other person; provided that none of the Lead Arrangers, the Administrative Agent or any Lender will be indemnified for any cost, expense or liability resulting from the gross negligence, bad faith or willful misconduct of such Lead Arranger, the Administrative Agent or any Lender or any of their respective affiliates or controlling persons or any of the officers, directors, employees, advisors, agents, members or controlling persons or other representatives of any of the foregoing (as determined by a court of competent jurisdiction in a final and non-appealable decision), a material breach of the Finance Documents by any such persons (as determined by a court of competent jurisdiction

in a final and non-appealable decision) or disputes between and among indemnified persons and not arising out of any act or omission of the Borrower or its affiliates (other than disputes involving claims against the Lead Arrangers or the Administrative Agent in their respective capacities as such).

Hedging:

The Borrower may, in its discretion decide to enter into hedging arrangements in respect of interest charges arising under the Finance Documents. The Borrower agrees that, if it elects to enter into such hedging arrangements it will invite the Lenders to provide quotes on a non-exclusive basis and also to match any other quotes received in respect of such hedging. If a Lender matches such other quotes and is on substantially the same documentation terms, the Borrower shall award such hedging to that Lender (and, if more than one Lender matches the quotes received, the hedging shall be awarded on a pro rata basis among such Lenders).

Publicity:

Any publicity regarding the Facility will be agreed in advance between the Lead Arrangers and the Borrower.

Counsel to Lead Arrangers: Paul Hastings LLP.

Governing Law: New York.

Language: English.

Jurisdiction: New York.

**SCHEDULE 1
DEFINED TERMS USED IN THIS TERM SHEET**

- "ABR"** means the Alternate Base Rate, which is the highest of (i) the prime commercial lending rate published by The Wall Street Journal as the "prime rate," (ii) the Federal Funds Effective Rate plus 1/2 of 1.0% and (iii) the one-month LIBOR plus 1.0% per annum.
- "Affirmative Covenants"** means the Affirmative Covenants set out in Schedule 5 to this Term Sheet.
- "Business Day"** means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurodollar Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in dollars in the London interbank market.
- "Change of Control"** means the occurrence of one or more of the following events: (i) any sale, lease, exchange or other transfer (in a single transaction or a series of related transactions) of all or substantially all of the assets of the Borrower to any person or "group" (within the meaning of the Exchange Act and the rules of the Securities and Exchange Commission thereunder in effect on the date hereof), (ii) Holdco ceases to own and control, directly or indirectly, beneficially and of record, 100% of the outstanding shares of the voting equity interests of the Borrower, (iii) the Borrower shall cease to own and control, directly or indirectly, beneficially and of record, 100% of the outstanding shares of the Target, (iv) a majority of the board of directors of the Borrower shall not be Continuing Directors or (v) the Sponsor or any of its affiliates shall cease to be the general partner of the Parent.
- "Commitment Letter"** means the commitment letter to which this Exhibit B is attached, and the other exhibits and annexes thereto, including this Exhibit B.
- "Continuing Directors"** means the directors of the Borrower on the Closing Date, and each other director, if, in each case, such other director's nomination for election to the board of directors or other equivalent governing body of the Borrower is recommended by at least a majority of the then Continuing Directors or the election of such other director is approved by Permitted Investors in his or her election by the shareholders of the Borrower.
- "Convention Statement"** means the annual and quarterly financial statements filed by an Insurance Subsidiary with the Insurance Regulatory Authority of its jurisdiction of domicile and in accordance with the laws of

such jurisdiction.

"Disqualified Lender"

means competitors of the Borrower, the Target and their respective subsidiaries that have been specified in writing prior to the date hereof.

"Financial Covenants"

means the financial covenants set out in Schedule 4 to this Term Sheet.

"Financial Indebtedness"

of any person at any date means, without duplication, such person's (i) indebtedness for borrowed money (including the Closing Surplus Notes (as defined in the Exhibit A to the Commitment Letter)), (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such person's business payable on terms customary in the trade), (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person, (iv) obligations evidenced by notes, bonds, debentures or other similar debt instruments, (v) capitalized lease obligations, (vi) obligations for reimbursement of drafts drawn or available to be drawn under letters of credit, (vii) capital lease obligations and (viii) guaranteed obligations of such person in respect of obligations of other persons of the kind referred to in clauses (i) through (viii) above. Notwithstanding the foregoing, Financial Indebtedness of the Borrowers and its subsidiaries shall not include: (a) the following obligations issued or undertaken in connection with a Statutory Reserve Financing: (1) surplus notes or other obligations of an Insurance Subsidiary or captive insurance company subsidiary ("Reserve Financing Notes"), (2) any securities backed by such Reserve Financing Notes, (3) letters of credit issued for the account of any Insurance Subsidiary or captive insurance company subsidiary, (4) reimbursement obligations of any Insurance Subsidiary or captive insurance company subsidiary, (5) any guarantees by the Borrower or any other Group member of the obligations described in (1), (2), (3) or (4) above, (6) reimbursement obligations of the Borrower or any other Group member or (7) capital maintenance or similar obligations of the Borrower or any other Group member in favor of any Insurance Subsidiary or captive insurance company subsidiary; (b) any obligations with respect to insurance policies, annuities, guaranteed investment contracts and similar policies or other insurance products underwritten by an Insurance Subsidiary, in each case, in the ordinary course of business; (c) any short-term indebtedness incurred for the pre-funding of anticipated policy obligations or anticipated investment cash flow; (d) obligations that are not otherwise included in items (i) through (viii) of the definition of Financial Indebtedness, but which would be classified as a liability on the Borrower's financial statements only by reason of FASB ASC 810 or a subsequent accounting pronouncement having a substantially similar impact so long as such obligations remain nonrecourse; (e) any indebtedness under any overdraft

or cash management facilities so long as any such indebtedness is repaid in full no later than five Business Days following the date on which it was incurred or in the case of such indebtedness in respect of credit or purchase cards, within 60 days of its incurrence, (f) obligations in respect of performance, appeal or other surety bonds or completion guarantees incurred in the ordinary course of business, (g) any liability for federal, state, local or other taxes not yet delinquent or being contested in good faith and for which adequate reserves have been established to the extent required by GAAP or SAP, as applicable, (h) any customer deposits or advance payments received in the ordinary course of business or (i) obligations of Insurance Subsidiaries with respect to hedging contracts entered into in the ordinary course of business and consistent with the investment policy approved by the board of directors of such Insurance Subsidiary.

- "FSHCO"** any domestic subsidiary that has no material assets other than the equity and/or indebtedness of foreign subsidiaries, intellectual property relating to such foreign subsidiaries and other assets incidental thereto.
- "Information Covenants"** means the information covenants set out in Schedule 3 to this Term Sheet.
- "Insurance Regulatory Authority"** means, with respect to any Insurance Subsidiary, the insurance department or similar governmental authority charged with regulating insurance companies or insurance holding companies in its jurisdiction of domicile and, to the extent that it has regulatory authority over such Insurance Subsidiary, in each other jurisdiction in which such Insurance Subsidiary conducts business or is licensed to conduct business.
- "Insurance Subsidiary"** means any subsidiary of the Borrower that is required to be licensed as an insurer or reinsurer (or a captive insurer or reinsurer related to the AXXX Financing) in order to conduct its business.
- "LIBOR"** means the London interbank offered rate for dollars, adjusted for statutory reserve requirements.
- "Lien"** means any mortgage, pledge, security interest, lien (statutory or otherwise), charge, encumbrance, hypothecation, assignment, deposit arrangement, or other arrangement having the practical effect of any of the foregoing or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement and any capital lease having the same economic effect as any of the foregoing).
- "Material Adverse Effect"** means a material adverse effect on:

- (a) the business, results of operations, property or condition (financial or otherwise) of the Group, taken as a whole, or the ability of the Borrower to perform its payment obligations under the Finance Documents when the same are due in accordance with the terms thereof; or
- (b) the validity or enforceability of the Finance Documents or the rights or remedies of any Finance Party under the Finance Documents, including the ability of the Finance Parties to enforce their rights with respect to the Collateral.

"Negative Covenants"

means the negative covenants set out in Schedule 5 to this Term Sheet.

"Payment Reserve Account"

means a segregated account to be established by the Borrower into which amounts may be deposited in accordance with the Waterfall, which account shall be subject to a control agreement in favor of the Administrative Agent, control by the Administrative Agent or any similar arrangement that is reasonably satisfactory to the Administrative Agent.

"Permitted Disposals"

means disposals that are:

- (a) made in the ordinary course of business of the disposing entity, including sales of investment assets and inventory;
- (b) of assets (other than shares, businesses, intangibles or cash) in exchange for other assets of comparable or superior as to type, value and quality;
- (c) of obsolete or redundant assets or waste;
- (d) the abandonment or other disposition of intellectual property that is no longer economically practicable to maintain or useful in the business; of cash or cash equivalents for purposes not otherwise prohibited by the Finance Documents;
- (e) comprising any distribution or dividend not otherwise prohibited by the Finance Documents;
- (f) between members of the Group;
- (g) by Insurance Subsidiaries or Special Purpose Subsidiaries pursuant to (i) reinsurance agreements consistent with business practices in the life insurance industry and (ii) Statutory Reserve Financings; and
- (h) for fair market value where the consideration receivable

(when aggregated with the consideration receivable for any other such disposal (other than one permitted under paragraphs (a) to (g) above) does not exceed \$20 million.

"Permitted Financial Indebtedness"

means:

- (a) Financial Indebtedness incurred under the Finance Documents or the Closing Surplus Note;
- (b) Financial Indebtedness owed by a member of the Group to another member of the Group;
- (c) Financial Indebtedness of any person incurred and outstanding on the date on which such person was acquired by the Borrower (other than Financial Indebtedness incurred in connection with, or in contemplation of, such acquisition) in an amount not to exceed \$20 million at any one time outstanding;
- (d) Financial Indebtedness in connection with Permitted Transactions entered into by Insurance Subsidiaries in the ordinary course of business;
- (e) customary working capital and ordinary course indebtedness (including purchase money Indebtedness) in an aggregate principal amount not to exceed \$20 million at any one time outstanding; and
- (f) Subordinated Debt in an amount not to exceed an aggregate principal amount of \$200 million at any one time outstanding.

"Permitted Investments"

means an investment by any member of the Group in:

- (1) any other member of the Group, including through the purchase of capital stock of such member of the Group;
- (2) cash and cash equivalents or investments that constituted cash equivalents at the time made;
- (3) receivables owing to any member of the Group created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; *provided, however,* that such trade terms may include such concessionary trade terms as such member of the Group deems reasonable under the circumstances;
- (4) commission, relocation, entertainment, payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of

business;

(5) loans or advances to, or guarantees of third party loans to, employees, officers or directors of any member of the Group in the ordinary course of business in an aggregate amount outstanding at any time not in excess of \$2 million with respect to all loans or advances or guarantees made since the Closing Date (without giving effect to the forgiveness of any such loan) or to fund such person's purchase of capital stock of the any member of the Group;

(6) any investment acquired by any member of the Group:

(a) in exchange for any other investment or accounts receivable held by such member of the Group in connection with or as a result of a judgment, bankruptcy, workout, reorganization or recapitalization of the issuer of such other investment or accounts receivable;

(b) as a result of a foreclosure by such member of the Group with respect to any secured investment or other transfer of title with respect to any secured investment in default; or

(c) in the form of notes payable, or stock or other securities issued by account debtors to such member of the Group pursuant to negotiated agreements with respect to the settlement of such account debtor's accounts, and other investments arising in connection with the compromise, settlement or collection of accounts receivable, in each case in the ordinary course of business;

(7) investments made as a result of the receipt of non-cash consideration from a Permitted Disposal;

(8) investments in existence on the Closing Date and investments committed to be made as of the Closing Date, and any extension, modification or renewal of any such investments, or investments purchased or received in exchange for such investments, existing on the Closing Date, but only to the extent not involving additional advances, contributions or other investments of cash or other assets or other increases thereof (other than (x) as contemplated by the terms of such investment as in effect on the Closing Date, (y) as permitted under this definition or (z) pursuant to the terms of such investment as in effect on the Closing Date, as a result of the accrual or accretion of interest or original issue discount or the issuance of pay-in-kind securities);

(9) any person to the extent such investments consist of

hedging obligations not entered into for speculative purposes;

(10) to the extent constituting investments, guarantees of Permitted Financial Indebtedness and guarantees to suppliers, licensors or the providers of operating leases in the ordinary course of business;

(11) investments made in connection with the funding of contributions under any non-qualified retirement plan or similar employee compensation plan, including, without limitation, split-dollar insurance policies, in an amount not to exceed the amount of compensation expense recognized by the relevant member of the Group in connection with such plans;

(12) investments received in settlement of debts created in the ordinary course of business and owing to any member of the Group or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of a debtor;

(13) any person to the extent such investments consist of prepaid expenses, negotiable instruments held for collection and lease, utility, unemployment insurance, workers' compensation, performance and other similar deposits made in the ordinary course of business by any member of the Group;

(14) prepayments and other credits to suppliers made in the ordinary course of business;

(15) endorsements of negotiable instruments and documents in the ordinary course of business;

(16) loans or advances or similar transactions with customers, distributors, clients, developers, suppliers or purchasers of goods or services in the ordinary course of business;

(17) investments by any Insurance Subsidiary (including by any subsidiary of such Insurance Subsidiary that is not itself an Insurance Subsidiary) in the ordinary course of business and consistent with the investment policy approved by the board of directors or equivalent governing body of such Insurance Subsidiary or otherwise consistent with investment guidelines approved by the applicable Insurance Regulatory Authority;

(18) investments by any member of the Group that constitute investments that would be permitted to be made by an Insurance Subsidiary pursuant to clause (17) of this definition of "Permitted Investments";

(19) investments of the type described in clause (a) of the definition of "Financial Indebtedness"; and

(20) investments by any member of the Group, together with all other investments pursuant to this clause (20), in an aggregate amount at the time of such investment not to exceed \$20 million outstanding at any one time (with the fair market value of such investment being measured at the time made and without giving effect to subsequent changes in value).

"Permitted Investors"

means the Sponsor and entities controlled by, in control of or under common control with the Sponsor.

"Permitted Liens"

means:

- (a) Liens securing the Facility;
- (b) any Lien (i) existing on any asset of any entity that becomes a subsidiary of the Borrower, or (ii) existing on any asset prior to the acquisition thereof by the Borrower or a subsidiary of the Borrower, in either case which is not created in contemplation or such acquisition in an aggregate principal amount no to exceed \$20 million at any one time outstanding;
- (c) Liens incidental to the conduct of the business of the Borrower or any of its subsidiaries or the ownership of their respective assets which (i) do not secure Financial Indebtedness and (ii) do not in the aggregate materially detract from the value of their respective assets or materially impair the use thereof in the operation of their respective businesses;
- (d) Liens securing permitted purchase money debt in an aggregate principal amount not to exceed \$20 million; provided, however, that in each case any such Lien attaches only to the specific assets financed with such debt;
- (e) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;
- (f) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (g) Liens imposed by law and carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens arising in the ordinary course of business;
- (h) Liens for taxes, assessments or other governmental charges or levies not yet subject to penalties for non-payment or that are being contested in good faith by appropriate proceedings provided appropriate reserves required pursuant to GAAP have been made in respect thereof;
- (i) Liens granted in respect of any derivative or hedge

transaction or any insurance or reinsurance arrangements; provided that such arrangements and transactions are entered into in the ordinary course of the Group's business and on arms' length terms;

(j) Liens granted by the Borrower, any Insurance Subsidiary, captive insurance company subsidiary or Special Purpose Subsidiary in connection with any reinsurance agreement, Statutory Reserve Financing (including obligations issued or undertaken in connection therewith) or agreement entered into by an Insurance Subsidiary or Special Purpose Subsidiary; provided that such Liens will not materially adversely affect the Borrower's ability to make anticipated principal or interest payments on the Facility or are otherwise customary for financings or arrangements of that type (as determined in good faith by the Borrower); and

(k) Liens not otherwise permitted by the foregoing paragraphs incurred by a member of the Group (i) in respect of customary working capital requirements of the Borrower or (ii) securing Financial Indebtedness and other obligations, in an aggregate principal amount not to exceed \$20 million at any one time outstanding.

"Permitted Transactions"

means:

(a) mortgage-backed security transactions in which an investor sells mortgage collateral, such as securities issued by the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation, for delivery in the current month while simultaneously contracting to repurchase "substantially the same" (as determined by the Public Securities Association and GAAP) collateral for a later settlement,

(b) transactions in which an investor lends cash to a primary dealer and the primary dealer collateralizes the borrowing of the cash with certain securities,

(c) transactions in which an investor lends securities to a primary dealer and the primary dealer collateralizes the borrowing of the securities with cash collateral,

(d) transactions in which an investor makes loans of securities to a broker-dealer under an agreement requiring such loans to be continuously secured by cash collateral or United States government securities,

(e) transactions structured as, and submitted to the NAIC Security Valuation Office for approval as, Replication (Synthetic Asset) Transactions (RSAT) (provided that, to the extent that such approval is not granted in respect of any such transaction, such transaction shall cease to constitute a Permitted Transaction 30 days following the date of such rejection, denial

or non-approval) and

(f) transactions in which a federal home loan mortgage bank (a "FHLMB") makes loans to an Insurance Subsidiary, that are sufficiently secured by appropriate assets of such Insurance Subsidiary consisting of government agency mortgage-backed securities in accordance with the rules, regulations and guidelines of such FHLMB for its loan programs.

"SAP"

means, with respect to any Insurance Subsidiary, the statutory accounting practices prescribed or permitted by the insurance commissioner (or other similar authority) from time to time in the jurisdiction of incorporation of such Insurance Subsidiary for the preparation of annual statements and other financial reports by insurance companies of the same type as such Insurance Subsidiary.

"Special Purpose Subsidiary"

means any subsidiary of the Borrower formed to issue surplus notes or other obligations in connection with a Statutory Reserve Financing or enter into reinsurance agreements in connection with a Statutory Reserve Financing or enter into ancillary obligations in respect of the foregoing.

"Sponsor"

means Resolution Capital Limited.

"Statutory Reserve Financing"

means a transaction or series of transactions entered into for the purpose of financing a portion of the statutory reserves required to be held by an Insurance Subsidiary or captive insurance company subsidiary.

"Subordinated Debt"

means all indebtedness of the Borrower that is contractually subordinated to the Facility; *provided* that such indebtedness shall contain customary terms and shall have customary provisions for debt subordinated to secured bank debt, including that such indebtedness (i) shall not mature prior to the date that is 180 days after the Maturity Date of the Facility, (ii) shall not have any scheduled amortization payments or mandatory redemption, repurchase, prepayment or sinking fund obligations prior to the Maturity Date of the Facility, (iii) shall not be guaranteed by any subsidiary or direct or indirect parent of the Borrower, other than on a subordinated basis by the Guarantors, (iv) shall not have any financial maintenance covenants, (v) shall not contain any provisions that cross-default to any default or Event of Default under the Facility (other than customary cross-payment default and cross-acceleration provisions), (vi) shall contain covenants and event of default provisions that are less restrictive than those applicable to the Facility; provided that if any of the covenants or event of default provisions applicable to the Facility shall be amended to be made less restrictive after the incurrence of any such Subordinated Debt, the corresponding covenants and event of default provisions with respect to such Subordinated Debt shall automatically be deemed to be adjusted by a like amount or level and (vi) shall be

subject to (a) a permanent standstill if a payment default has occurred under the Facility and otherwise, (b) a customary standstill provision for a period of 179 days with respect to any other default or event of default, during which standstill period (whether pursuant to clause (a) or clause (b) of this definition) no direct or indirect payment in respect of such indebtedness (including payments of interest thereon) shall be made; provided that only one standstill notice pursuant to clause (b) hereof may be given in any 360-day period.

**SCHEDULE 2
REPRESENTATIONS**

1. Representations

The Borrower shall make each of the representations summarized below (other than representation (g) *Disclosure*) with respect to itself and, in respect of representations (e) *Authorization* and (g) *Disclosure* below, with respect to the Target. The representations will be made subject to customary materiality thresholds and exceptions as set forth below and as otherwise mutually agreed.

- (a) *Organization and existence.*
- (b) *Binding obligations.*
- (c) *Non-conflict with laws or other obligations:* non-conflict with (i) any law, regulation (including regulatory licensing requirements), judgments or orders applicable to it, (ii) its constitutional documents and (iii) any other material agreement or instrument binding upon it or any of its assets in any respect which is material in the context of the Finance Documents, except, in the case of clauses (ii) and (iii), to the extent that such conflict would not reasonably be expected to have a Material Adverse Effect.
- (d) *Power and authority:* requisite power and authority to carry on its business and to execute and deliver the Finance Documents.
- (e) *Authorization:* requisite governmental licenses, permits and authorizations to do business.
- (f) *No Default or Event of Default.*
- (g) *Disclosure:* As of the Closing Date, no report, financial statement, certificate or other written information furnished by or on behalf of the Borrower (other than projected financial information, pro forma financial information and information of a general economic or industry nature) to the Administrative Agent or any Lender in connection with the Acquisition and this Facility, when taken as a whole, contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not materially misleading; provided that, with respect to projected and pro forma financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed by the Borrower to be reasonable at the time of preparation; it being understood (A) that such projections and forecasts are as to future events and are not to be viewed as facts, that such projections are subject to significant uncertainties and contingencies, many of which are beyond the control of the Borrower and its subsidiaries, that no assurance can be given that any particular projection or forecast will be realized and that actual results during the period or periods covered by any such projections or forecasts may differ significantly from the projected results and such differences may be material and that such projections and forecast are not a guarantee of future financial performance and (B) that no representation is made with respect to a general economic or general industry nature.
- (h) *Financial statements.*

- (i) **No proceedings pending or threatened:** there are no actual or (to the knowledge of the Borrower) threatened litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which would be reasonably expected to have a Material Adverse Effect or that relate to the invalidity, or purported invalidity, of any Finance Documents (including documents relating to the Guarantees or the Collateral).
- (j) **Investment Company Act.**
- (k) **Margin Regulations.**
- (l) **Payment of taxes:** filing of all tax returns and reports required to be filed and payment of all taxes and other governmental charges due and payable by it, subject to customary rights and except where the failure to make such filing or payment would not reasonably be expected to have a Material Adverse Effect.
- (m) **Liens.**
- (n) **Ownership of property and equity interests.**
- (o) **ERISA.**
- (p) **Anti-Terrorism Laws:** no violation of any laws relating to terrorism, money laundering or bribery, including the USA PATRIOT ACT, the United States Foreign Corrupt Practices Act and the foreign assets control regulations of the Office of Foreign Asset Control.

2. Scope of Representations and disclosures

- (a) All representations in relation to the Target will be given on the basis of the Borrower's knowledge and belief (after reasonable inquiry) and by reference to circumstances existing at the time.
- (b) Representations in relation to any assumptions or opinions will only be on the basis that the Borrower considers the relevant assumption or opinion to be reasonable.
- (c) For the avoidance of doubt, the only representations and warranties the accuracy of which shall be a condition to the availability of the Facility on the Closing Date shall be the Specified Acquisition Agreement Representations (as defined in the Commitment Letter) and the Specified Representations (as defined in the Commitment Letter).

**SCHEDULE 3
INFORMATION COVENANTS**

1. Financial Statements

(a) The Borrower shall supply the following:

- (i) as soon as they become available, but in any event within 120 days after the end of each fiscal year (or in the case of the financial statements for the fiscal year ended December 31, 2013, as soon as they become available, but no later than the one-year anniversary of the Closing Date), the audited consolidated financial statements of the Borrower for that fiscal year, together with an annual audit opinion from a nationally recognized auditor that is not subject to any qualification, exception or explanatory paragraph as to "going concern" (other than with respect to, or resulting from, an upcoming maturity date under the Facility occurring within one year from the time such opinion is delivered);
- (ii) as soon as they become available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year commencing with the first fiscal quarter ending after the date of delivery of the financial statements delivered pursuant to clause (a)(i) of this Schedule 3, the unaudited consolidated financial statements of the Borrower, subject to normal year-end audit adjustments and the absence of footnotes;
- (iii) with each set of audited consolidated annual financial statements and each set of quarterly financial statements, a compliance certificate signed by a responsible officer of the Borrower certifying (a) with respect to the Financial Covenants and (b) that no default or Event of Default is continuing which has not been waived (or if such default or Event of Default is continuing specifying the nature thereof and the steps being taken to remedy it);
- (iv) concurrently with each delivery of its audited financial statements and in any event within 120 days after the end of each fiscal year, copies of the Convention Statement of each Insurance Subsidiary that is a Material Company for such fiscal year, in the form submitted to the Insurance Regulatory Authority of its jurisdiction of domicile;
- (v) concurrently with each delivery of its quarterly financial statements and in any event within 60 days after the end of each of the first three fiscal quarters, the Convention Statement of each Insurance Subsidiary that is a Material Company for such quarter and for the portion of such Insurance Subsidiary's fiscal year ended at the end of such quarter, in the form submitted to the Insurance Regulatory Authority of its jurisdiction of domicile;
- (vi) as soon as they become available, but in any event no later than September 30, 2014, unaudited, management statements calculated in accordance with GAAP reflecting the purchase GAAP balance sheet on the Closing Date;
- (vii) within 120 days after the beginning of each fiscal year commencing with the fiscal year starting January 1, 2014, annual projections and/or a business plan with respect to such fiscal year;

- (viii) promptly upon the Borrower's receipt thereof (but in any event, within 5 Business Days of receipt thereof), copies of all material reports, notices, claims or other material correspondence between the Borrower and any Insurance Regulatory Authority; and
- (ix) such other additional financial and other information as the Administrative Agent may reasonably request regarding the financial condition, assets and operations of the Group except to the extent that disclosure of such information would breach any law, regulation or duty of confidentiality. To the extent that the Borrower is prohibited from disclosing such information by reason of law, regulation or duty of confidentiality, the Borrower shall use its reasonable efforts to provide copies of the relevant information to the Administrative Agent in a redacted form which does not breach any such prohibition.

2. Notices

- (a) The Borrower shall supply the following notices to the Administrative Agent:
 - (i) promptly upon becoming aware of any material development in any litigation, investigation or proceeding affecting the Parent, the Borrower or any member of the Group, the outcome of which, individually, or taken as a whole, would be reasonably expected to have a Material Adverse Effect;
 - (ii) promptly upon becoming aware of the details of any ERISA violations, which, individually, or taken as a whole, would reasonably be expected to have a Material Adverse Effect;
 - (iii) as soon as reasonably practicable, but in any event within ten Business Days of becoming aware of the same, notification of any downgrade after the Closing Date of any rating given by S&P or Moody's or A.M. Best & Co. with respect to each Insurance Subsidiary that is a Material Company;
 - (iv) promptly after any responsible officer of the Borrower knows of the occurrence of any default or Event of Default; and
 - (v) promptly after the same become available, copies of all reports and statements filed with the Securities and Exchange Commission and copies of any requests or notices received by the Borrower (other than in the ordinary course of business) pursuant to the terms of material Permitted Indebtedness.
- (b) Customary undertakings relating to the provision of PATRIOT Act information will be included.

**SCHEDULE 4
FINANCIAL COVENANTS¹**

1. Financial Covenants

- (a) Minimum RBC Ratio with respect to the Target at all times equal to the greater of (i) 25 points below the capital and surplus level of the Target agreed with its Insurance Regulatory Authority from time to time, subject to a 6-month delay with respect to any increase imposed by any such Insurance Regulatory Authority and (ii)(x) for the period from the Closing Date through and including the second anniversary of the Closing Date, 300% and (y) for the period from the second anniversary of the Closing Date through the Maturity Date, 275%, to be tested on the last day of each fiscal quarter;
- (b) Maximum Debt to Combined Statutory Capital and Surplus Ratio at all times equal to 25%, to be tested as of the last day of each fiscal quarter;
- (c) Minimum Consolidated Tangible Net Worth at all times, from and after the Closing Date, equal to 70% of the Consolidated Tangible Net Worth as of the Closing Date, plus 70% of any new equity issuance proceeds received by the Borrower after the Closing Date, to be tested as of the last day of each fiscal quarter, provided that the calculation with respect to each fiscal quarter ending on or prior to December 31, 2013 will be made only upon completion of the audited financial statements for the fiscal year ended December 31, 2013, provided that if the Borrower determines within 10 Business Days following the delivery of such financial statements based on the financial projections available to it at such time that the Consolidated Tangible Net Worth will be below such level at any time through the Maturity Date, then (x) the Borrower shall promptly notify the Lead Arrangers of such determination, (y) the Borrower and the Lead Arrangers shall negotiate in good faith to reach agreement on a new covenant level, which such covenant level agreed to by the Lead Arrangers and the Borrower shall be adopted if not objected to by the Required Lenders within a period of time to be agreed and (z) pending such agreement, the Borrower's noncompliance with this covenant shall not constitute a default or Event of Default; and
- (d) Minimum Combined Statutory Capital and Surplus Level at all times equal to (i) for the period from the Closing Date through and including the second anniversary, 70% of the Combined Statutory Capital and Surplus Level as of the Closing Date, plus 70% of any new capital and surplus received by the Borrower after the Closing Date and (ii) for the period from the second anniversary of the Closing Date through the Maturity Date, 65% of the Combined Statutory Capital and Surplus Level as of the Closing Date, plus 65% of any new capital and surplus received by the Borrower after the Closing Date, to be tested as of the last day of each fiscal quarter.

Financial Definitions

"Combined Statutory Capital and Surplus" means, as of any date, the sum, without duplication, of the statutory capital and surplus of each Insurance Subsidiary, as at the end of the

¹ The Borrower and the Lenders will negotiate in good faith appropriate adjustments to the financial covenants following delivery of the first set of consolidated financial statements prepared in accordance with GAAP.

most recently ended fiscal quarter of such Insurance Subsidiary for which financial statements are available, determined in accordance with SAP.

"Consolidated Net Worth" means, at any time, the consolidated shareholders' equity of the Borrower and its Subsidiaries determined in accordance with GAAP and as reflected on the consolidated financial statements of the Borrower and its Subsidiaries; provided that (i) the accounting effect of any accumulated other comprehensive income (AOCI), net of taxes, and (ii) the accounting effect of value of business acquired (VOBA) and any related deferred tax liabilities shall be excluded in calculating Consolidated Net Worth.

"Consolidated Tangible Net Worth" means, at any time, the Consolidated Net Worth of the Borrower and its Subsidiaries, minus the net book value of all assets, after deducting any reserves applicable thereto, which would be treated as intangible under GAAP (including, without limitation, good will); provided that any deferred tax assets or liabilities with respect to intangibles under GAAP shall be excluded in calculating Consolidated Tangible Net Worth.

"Debt to Combined Statutory Capital and Surplus Ratio" means, as of any date, the ratio, as calculated in accordance with SAP, of (a) the principal amount of, and accrued but unpaid interest on, all Financial Indebtedness for borrowed money of the Borrower and its Subsidiaries outstanding on such date, other than (i) Financial Indebtedness owing to the Borrower or any of its Subsidiaries and (ii) the liabilities (if any) of the Borrower or any of its Subsidiaries in respect of hedging obligations as determined by reference to the termination value of the agreements or arrangements giving rise to such hedging obligations, to (b) Combined Statutory Capital and Surplus on such date.

"RBC Ratio" means, on any date of determination, one-half of the ratio (expressed as a percentage) of (a) the sum of the "Total Adjusted Capital" (as defined by the Target's Insurance Regulatory Authority from time to time) for the Target to (b) the sum of the "Authorized Control Level Risk-Based Capital" (as defined by the Target's Insurance Regulatory Authority from time to time) for the Target as of such fiscal quarter-end (or if not available as of such fiscal quarter-end, then for the prior fiscal year-end for the Target.

2. **Cure Right**

Within 45 days following the date of delivery (or the date of required delivery) of the relevant financial statements or compliance certificates pursuant to paragraph 1 of Schedule 3, the Parent or the Borrower may remedy or procure the remedy of the breach of financial covenants by either reducing the level of Financial Indebtedness or, as the case may be, increasing the level of Combined Statutory Capital and Surplus, or by a combination thereof.

3. **Calculation, reconciliation and adjustments**

The financial covenants will be calculated in accordance with the applicable accounting principles and tested by reference to the financial statements and compliance certificates delivered pursuant to the Information Covenants.

Provisions will be included to deal with reconciliation or adjustment of the financial covenants following a change of accounting basis or reference date.

SCHEDULE 5 COVENANTS

Covenants Limited to the following, subject in each case to customary limitations for materiality, exceptions and qualifications as set forth below and as otherwise mutually agreed:

- (a) **Authorizations:** The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect any authorization required under any law or regulation of its jurisdiction of incorporation or organization; provided that the Borrower shall not be required to maintain any such authorizations if the failure to do so would not reasonably be expected to have a Material Adverse Effect.
- (b) **Compliance with laws:** The Borrower will comply in all respect with laws and regulations (including any regulatory licensing requirements) to which it is subject, except if failure so to comply would not reasonably be expected to have a Material Adverse Effect. The Borrower shall not breach, and the Borrower shall ensure that no member of the Group breaches, any applicable solvency requirements of any applicable Insurance Regulatory Authority that applies to the relevant member of the Group, which breach has, or would reasonably be expected to have, a Material Adverse Effect.
- (c) **Negative Pledge:** No member of the Group shall create or permit to subsist any Lien over any of its assets except for Permitted Liens.
- (d) **Fundamental changes:** No Material Company will enter into any merger corporate reorganization unless:
 - (i) in the case of any merger relating to the Borrower, the Borrower is the surviving entity;
 - (ii) the resulting or surviving person will be a person organized and existing under the laws of a state of the United States; and
 - (iii) the resulting or surviving person is solvent and any successor entity assumes the obligations, as applicable, under the Guarantees.
- (e) **Change in line of business:** neither the Borrower nor any member of the Group shall engage in any business other than life insurance without the prior written consent of the Required Lenders; provided that the majority of the business of the Borrower and the other Members of the Group, taken as a whole, shall not be related to long term care and/or variable annuity.
- (f) **Financial Indebtedness:** No member of the Group to incur, create or permit to subsist any Financial Indebtedness other than Permitted Financial Indebtedness.
- (g) **Acquisitions:** The Borrower shall not, and shall ensure that no other member of the Group shall, make acquisitions of or other investments (other than Permitted Investments) in other companies or businesses; provided that any Acquisition or similar investment (other than Permitted Investments) made solely with the proceeds of Subordinated Debt or equity shall be permitted so long as (i) no Default or Event of Default shall have occurred and be continuing or would result therefrom, (ii) the acquired assets or other investments shall not exceed 50% of the assets of the Target, (iii) the Borrower shall be in pro forma compliance with the Financial Covenants after giving effect to such Acquisition or investment and any indebtedness incurred or assumed in

connection therewith, (iv) any such acquisitions shall be made directly by the Borrower or a person who is or becomes a direct or indirect, wholly-owned subsidiary of the Borrower and (v) the Borrower will not acquire any business or assets other than life insurance and fixed annuity businesses or assets and the majority of the acquired business shall not be related to long term care and/or variable annuity.

- (h) *Dispositions*: No member of the Group shall enter into a single transaction or a series of transactions (whether related or not) to sell, lease, transfer or otherwise dispose of any asset other than a Permitted Disposal.
- (i) *Restrictions on distributions to holding companies of Borrower*: The Borrower shall not (and shall ensure that none of its subsidiaries shall) declare, make or pay any dividend or other distribution (whether in cash or in kind) or make any other payment (whether by way of loan, repayment of any obligation or otherwise) to any of the Borrower's holding companies, other than any such dividend, distribution or payment to permit any such holding company to pay management fees and expenses and operating fees and expenses, tax obligations and any other operating costs unless at the time of such dividend, distribution or payment, both before and after giving effect thereto:
 - (x) no Event of Default shall have occurred and be continuing,
 - (y) the RBC Ratio for the Target shall be at least equal to the greater of (i) 300% and (ii) the capital and surplus level of the Target agreed with the Target's Insurance Regulatory Authorities as of such payment date, and
 - (z) the aggregate cumulative amount of such dividend, distributions or other payments (whether by way of loan, repayment of any obligation or otherwise) made to the Borrower's holding companies during the period since the Closing Date through the date of such payment (together with any other amounts paid by the Borrower pursuant to the waterfall) does not exceed an amount equal to the aggregate cumulative amount of dividends or other distributions permitted by the Target's Insurance Regulatory Authorities to be paid by the Insurance Subsidiaries during such period.
- (j) *No changes in fiscal year*.
- (k) *Payment of taxes*, except to the extent failure to pay would not reasonably be expected to have a Material Adverse Effect.
- (l) *Transactions with Affiliates*, except on fair and reasonable terms substantially as favorable to the relevant Group member as in a comparable arm's length transaction, and subject to further exceptions and qualifications including transactions among Group members (including tax sharing arrangements²), payment of management fees and expenses and permitted dividend payments.
- (m) *ERISA*.
- (n) *Amendments to subordinated debt documents and prepayments of subordinated debt*. The Borrower shall not amend any subordinated debt documents in a manner that would

² To be defined.

conflict with the definition of "Subordinated Debt" contained herein or in a manner that would otherwise be adverse to the Lenders or the Administrative Agent. The Borrower shall not be permitted to prepay any subordinated debt unless (i) after giving effect to such prepayment, the RBC Ratio for the Target shall be at least equal to the greater of (a) 300% and (b) the RBC Ratio agreed with the Target's Insurance Regulatory Authority and (ii) immediately after giving effect to any such prepayment, no Event of Default shall have occurred and be continuing.

- (o) **Amendments to Closing Surplus Notes and prepayments of Closing Surplus Notes.** The Borrower shall not amend any Closing Surplus Note document in a manner that would be adverse to the Lenders or the Administrative Agent. The Borrower shall not be permitted to prepay any Closing Surplus Notes except as permitted under the Closing Surplus Note Term Sheet that is attached to the Acquisition Agreement.
- (p) **Interest Reserve.** The Borrower shall maintain, on and after the Closing Date, at all times cash or cash equivalents (to be defined) in an amount equal to no less than the interest payments required to be made under the Finance Documents in the subsequent twelve months, which amounts shall be held in a segregated account (the "Interest Reserve Account").
- (q) **Waterfall.** The Borrower shall apply in each fiscal year the amount of any dividend, distributions or other payments received by it, directly or indirectly, from any Insurance Subsidiary, including, without limitation, payments under any surplus note issued by any Insurance Subsidiary and held by the Borrower, and from any other member of the Group, as follows (subject to limitations to be agreed (e.g. mandatory prepayments)):
 - (i) *first*, to payment from time to time when due of administrative and compliance costs of the Borrower or any holding company in such fiscal year, management fees and expenses and operating fees and expenses in such fiscal year, in each case, subject to limitations to be agreed, and tax obligations and any other operating costs incurred by the Borrower or any holding company in such fiscal year;
 - (ii) *secondly*, towards the payment when due of any accrued but unpaid interest and fees in respect of the Facility and any scheduled payments due under any permitted hedging arrangements;
 - (iii) *thirdly*, to credit the Interest Reserve Account with an amount equal to the interest obligations of the Borrower under the Facility for the following twelve months;
 - (iv) *fourthly*, to pay, or to credit the Payment Reserve Account in an amount equal to, the amortization payment required to be made under the Facility for such fiscal year;
 - (v) *fifthly*, to permitted payments of subordinated debt and any voluntary prepayments of the Facility; and
 - (vi) *sixthly*, to payments and distributions to Holdco.

For the avoidance of doubt, no such dividends, distributions or other payments shall be permitted to be made by the Borrower unless and until control arrangements reasonably

satisfactory to the Administrative Agent have been established with respect to the Payment Reserve Account.

- (r) *Maintenance of Reinsurance Programs.* The Borrower shall cause Target to maintain its existing reinsurance program with respect to its long term care businesses.

**SCHEDULE 6
EVENTS OF DEFAULT**

Events of Default. Limited to the following, subject to customary materiality qualifications and exceptions as set forth below and as otherwise mutually agreed:

- (a) *Non-payment:*
 - (i) non-payment of principal under the Finance Documents; or
 - (ii) non-payment of any other amount due under the Finance Documents for more than three Business Days after demand by the Administrative Agent;
- (b) *Breach of financial undertaking:* Breach of any financial undertaking in Schedule 4 (*Financial Covenants*);
- (c) *Other obligations:* Breach of any provision of the Finance Documents (other than with respect to clauses (a) and (b) above), subject to a 30-day remedy period from the earlier of (i) notice by the Administrative Agent and (ii) the Borrower obtaining knowledge of such breach, if the breach is capable of remedy;
- (d) *Misrepresentation:* Any representation or statement made by the Borrower in the Finance Documents is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (e) *Cross default to other material Financial Indebtedness and the Statutory Reserve Financing.*
- (f) *Insolvency:* Bankruptcy or other insolvency events of, or the application for or consent to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for, any Material Company or any group of companies that, together, would constitute a Material Company (with customary grace periods for involuntary events).
- (g) *Loss or Impairment of Operational License:* (i) Any Material Company that is an Insurance Subsidiary (or any group of Insurance Subsidiaries that, collectively, would constitute a Material Company) is required by the Insurance Regulatory Authority applicable to it in its state of domicile to substantially restrict its business as carried on at the Closing Date or (ii) any other material limitation, termination or modification with respect to a regulatory license held by Material Company (or any group of Group members that, collectively, would constitute a Material Company), subject to a materiality standard to be agreed.
- (h) *Change of Control:* The occurrence of a Change of Control.
- (i) *Judgments:* Judgment or judgments against the Borrower or any other member of the Group in excess of \$10 million (to the extent not paid and not covered by independent third-party insurance) and all such judgments shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof.
- (j) *Invalidity of Finance Documents:* (i) The invalidity, or asserted invalidity by any Group Member, of any material provision of the Finance Documents (including documents

relating to the Guarantees or a material portion of the Collateral), (ii) any Finance Document (including documents relating to the Guarantees or the Collateral) ceasing to be legally binding and enforceable or (iii) the failure of the Borrower or any other member of the Group to perform its obligations under any Finance Document (including documents relating to the Guarantees or the Collateral).

(k) *Material ERISA Events.*

**Project Lighthouse
Summary of Additional Conditions³**

The borrowings under the Facility shall be subject to the following conditions:

1. Since the date of the Acquisition Agreement, there shall not have occurred a Target Material Adverse Effect or any fact, event, circumstance, effect, development, occurrence or condition of any character that would reasonably be expected to have, individually or in the aggregate, a Target Material Adverse Effect. "Target Material Adverse Effect" means a material adverse effect on: (a) the business, operations, condition (financial or otherwise) or results of operations of the Target, but excluding any such effect to the extent resulting from or arising out of: (i) any change, development, event or occurrence arising out of or relating to general political, economic or securities or financial market conditions (including changes in interest rates or changes in equity prices and corresponding changes in the value of the Investment Assets of the Target); (ii) any change, development, event or occurrence generally affecting participants in the life insurance, annuity or financial services industries; (iii) any change in GAAP, SAP or Applicable Law, or the interpretation or enforcement thereof; (iv) acts of war, sabotage or terrorism, or any escalation or worsening of such acts, any earthquakes, hurricanes, tornadoes, and other storms, floods or other natural disasters, or any other force majeure event; (v) the announcement of the Acquisition Agreement and the transactions contemplated thereby, including any loss of or change in relationship with any customers or business partners or departure of any employees or officers resulting therefrom; (vi) the identity of or facts related to Buyer; (vii) any action taken by Seller or any of its Representatives at the written instruction of or with the written consent of Buyer, or any failure to act by Seller or any of its Representatives because Buyer has withheld its consent when such consent was required under the Acquisition Agreement; (viii) any downgrade or threatened downgrade in the rating assigned to the Target by any rating agency (provided, that this clause (viii) shall not by itself exclude the underlying cause of any such downgrade or threatened downgrade); (ix) any failure, in and of itself, of the Target to meet any financial projections or targets (provided, that this clause (ix) shall not by itself exclude the underlying causes of any such failure); (x) any matter set forth in the Seller Disclosure Schedule (to the extent that any such effect described in the preceding

³ Capitalized terms used in this Exhibit C shall have the meanings set forth in the Commitment Letter to which this Exhibit C is attached (the "Commitment Letter") and the other Exhibits attached to the Commitment Letter. In the case of any such capitalized term that is subject to multiple and differing definitions, the appropriate meaning thereof in this Exhibit C shall be determined by reference to the context in which it is used.

clauses (i) through (iv) does not materially and disproportionately adversely affect the Target relative to other Persons engaged in the industries in which the Target operates); or (b) the ability of Seller to consummate the transactions contemplated by the Acquisition Agreement. Capitalized terms in the preceding definitions are used as defined in the Acquisition Agreement on the date hereof.

2. The Acquisition (which, for the avoidance of doubt, shall not include any of the Transactions described in Exhibit A to the Commitment Letter other than in paragraph (b) thereof) shall have been consummated, or substantially simultaneously with the borrowing under the Facility, shall be consummated, in all material respects in accordance with the terms of the Acquisition Agreement referred to below, without giving effect to any modifications or amendments, or any consents or waivers thereunder by the Borrower, that are materially adverse to the Lenders or the Joint Bookrunners without the consent of the Joint Bookrunners (such consent not to be unreasonably withheld, delayed or conditioned). The Joint Bookrunners hereby acknowledge that they are satisfied with the Acquisition Agreement dated the date hereof, including the disclosure schedules and exhibits thereto. For purposes of the foregoing condition, it is hereby understood and agreed that any change in the purchase price in connection with the Acquisition shall not be deemed to be materially adverse to the interests of the Lenders and the Joint Bookrunners; provided that (A) any reduction of the purchase price shall be allocated in a percentage to be mutually agreed to a reduction of amounts to be funded under the Facility and in a percentage to be mutually agreed to the Equity Contribution and (B) any increase in purchase price may be funded by equity contributions by the Parent. Subject to the Conditionality Provision, the Specified Acquisition Agreement Representations and the Specified Representations shall be true and correct in all material respects.

3. The Investor Additional Contribution shall have been made.

4. The Joint Bookrunners shall have received (a) audited annual statutory financial statements of the Target for the two (2) most recently completed fiscal years of the Target that have been filed with the Nebraska Department of Insurance prior to the Closing Date and (b) unaudited interim statutory financial statements of the Target that have been filed with the Nebraska Department of Insurance prior to the Closing Date for any fiscal quarter ended after the date of the most recent financial statements delivered pursuant to clause (a). The Joint Bookrunners hereby acknowledge receipt of the financial statements (i) in the foregoing clause (a) for the fiscal years ended December 31, 2011 and December 31, 2012 and (ii) for the fiscal quarter ended March 31, 2013.

5. The Joint Bookrunners shall have received (i) the Reference Balance Sheet (as defined in the Acquisition Agreement), updated as of the end of the most recent fiscal quarter of Target ended at least 60 days prior to the Closing

Date (or, if the most recently completed fiscal quarter is the end of a fiscal year of the Target, ended at least 120 days prior to the Closing Date) and (ii) an unconsolidated and unaudited pro forma balance sheet of the Borrower as of the last day of the most recent fiscal quarter of the Target ended at least 60 days prior to the Closing Date (or, if the most recently completed fiscal quarter is the end of a fiscal year of the Target, ended at least 120 days prior to the Closing Date) prepared after giving effect to the Transactions as if the Transactions had occurred as of such date and recording the Acquisition as an investment at purchase price in the balance sheet of the Borrower, neither of which need be prepared in compliance with Regulation S-X of the Securities Act of 1933, as amended, or include adjustments for purchase accounting.

6. The Initial Lenders shall have received at least three days prior to the Closing Date all documentation and other information about the Borrower as has been reasonably requested in writing at least five days prior to the Closing Date by such Initial Lenders that they reasonably determine is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the PATRIOT Act.

7. Subject in all respects to the Conditionality Provision, (a) the Guarantees with respect to the Facility shall have been executed and delivered by the Guarantors and be in full force and effect or substantially simultaneously with the initial borrowing under the Facility, shall be executed and become in full force and effect and (b) all documents and instruments required to create and perfect the Administrative Agent's security interests in the Collateral with respect to the Facility shall have been executed and delivered by the Borrower and the Guarantors and, if applicable, be in proper form for filing, and none of the Collateral shall be subject to any other pledges, security interest or mortgages, except for the liens permitted under the Finance Documents or to be released on or prior to the Closing Date.

8. The Administrative Agent shall have received a solvency certificate substantially in the form attached hereto as Annex I.

9. The commitment with respect to the AXXX Financing under the commitment letter therefor shall have been approved by the applicable Insurance Regulatory Authority in an amount not less than \$450,000,000 in Financed Amounts (as defined in the Acquisition Agreement), the commitment letter therefor dated the date hereof shall have been executed and delivered to the Lead Arrangers in the form thereof on the date hereof and the financing documents therefor shall be in agreed form and executed pending release shortly after the consummation of the Acquisition.

10. Target shall have a minimum RBC Ratio (as defined in the Term Sheet) of 300%.

11. All the existing third party indebtedness for borrowed money of the Target and its subsidiaries (excluding indebtedness permitted to remain outstanding under the Acquisition Agreement including, but not limited to, the Closing Surplus Notes, the Hannover Life Reassurance Financing and the AXXX Financing) will be refinanced or repaid in full, all commitments in respect thereof terminated, and all security and guaranties in respect thereof discharged and released (excluding Permitted Liens (as defined in the Acquisition Agreement)).

12. All fees required to be paid on the Closing Date pursuant to the Term Sheet and Fee Letter and reasonable out-of-pocket expenses required to be paid on the Closing Date pursuant to the Commitment Letter, to the extent invoiced at least five business days prior to the Closing Date (or such later date as the Borrower may reasonably agree) shall, upon the borrowing under the Facility, have been paid (which amounts may be offset against the proceeds of the Facility).

Form of Solvency Certificate

Date: _____, 201_

To the Administrative Agent and each of the Lenders party to the Credit Agreement referred to below:

I, the undersigned chief financial officer of _____, a _____ (the "Borrower"), in that capacity only and not in my individual capacity (and without personal liability), do hereby certify as of the date hereof, and based upon financial information, projections and assumptions (including but not limited to those with respect to accounting, actuarial, investment and reserving) made in good faith and based on assumptions reasonably believed by the Borrower to be fair in light of facts and circumstances as they exist as of the date hereof (and disclaiming any responsibility for changes in such facts and circumstances after the date hereof), that:

1. This certificate is furnished to the Administrative Agent and the Lenders pursuant to Section ___ of the Credit Agreement, dated as of _____, among _____ (the "Credit Agreement"). Unless otherwise defined herein, capitalized terms used in this certificate shall have the meanings set forth in the Credit Agreement.

2. For purposes of this certificate, the terms below shall have the following definitions:

(a) "Fair Value"

The amount at which the assets (both tangible and intangible), in their entirety, of Borrower might reasonably be expected to change hands between a willing buyer and a willing seller, within a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under any compulsion to act.

(b) "Present Fair Salable Value"

The amount that could be obtained by an independent willing seller from an independent willing buyer if the assets of Borrower are sold with reasonable promptness in an arm's-length transaction under present conditions for the sale of comparable business enterprises insofar as such conditions can be reasonably evaluated.

(c) "Liabilities"

The recorded liabilities of Borrower, as of the date hereof after giving effect to the consummation of the Transactions.

(d) "Will be able to pay its Liabilities as they mature"

For the period from the date hereof through the Maturity Date, Borrower will have sufficient assets and cash flow to pay its Liabilities as those liabilities mature or (in the case of contingent Liabilities) otherwise become payable, in light of business conducted or anticipated to be conducted by the Borrower and its subsidiaries as reflected in the cash flow and other projections, and assuming that there are no material changes to the regulatory requirements currently in effect or assumed in such cash flow and other projections.

(e) "Does not have Unreasonably Small Capital"

Borrower after consummation of the Transactions is a going concern and has sufficient capital to reasonably ensure that it will continue to be a going concern for the period from the date hereof through the Maturity Date. I understand that "unreasonably small capital" depends upon the nature of the particular business or businesses conducted or to be conducted, and I have reached my conclusion based on the needs and anticipated needs for capital of the business conducted or anticipated to be conducted by the Borrower and its subsidiaries as reflected in the cash flow and other projections, and assuming that there are no material changes to the regulatory requirements currently in effect or assumed in such cash flow and other projections.

3. For purposes of this certificate, I, or officers of Borrower under my direction and supervision, have performed the following procedures as of and for the periods set forth below.

(a) I have reviewed the unconsolidated pro forma balance sheet of the Borrower referred to in Section __ of the Credit Agreement.

(b) I have knowledge of and have reviewed to my satisfaction the Credit Agreement.

(c) As chief financial officer of Borrower, I am familiar with the financial condition of Borrower and its subsidiaries.

4. Based on and subject to the foregoing, I hereby certify on behalf of Borrower that after giving effect to the consummation of the Transactions, it is my opinion that (i) the Fair Value of the assets of Borrower exceeds its Liabilities, (ii) the Present Fair Salable Value of the assets of Borrower taken as a whole exceeds its Liabilities; (iii) Borrower does not have Unreasonably Small Capital; and (iv) Borrower will be able to pay its Liabilities as they mature.

* * *

IN WITNESS WHEREOF, Borrower has caused this certificate to be executed on its behalf by chief financial officer as of the date first written above.

□

By: _____
Name:
Title: