

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (this “**Agreement**”), dated as of the 9th day of July, 2020, is entered into between Honor Capital Corp., a Delaware corporation (“**Seller**”), and Universal Fidelity Life Insurance Company, an Oklahoma corporation (“**Buyer**”).

RECITALS

WHEREAS, Seller owns all of the issued and outstanding shares of Common Stock (as defined below) (the “**Common Shares**”), of Southern Life and Health Insurance Company, a Wisconsin stock life company (the “**Company**”), and all of the issued and outstanding shares of the class A preferred stock, par value \$500 per share, of the Company (the “**Preferred Shares**”); collectively, the Common Shares and the Preferred Shares constitute all of the issued and outstanding capital stock of the Company; and

WHEREAS, prior to the consummation of the transactions contemplated by this Agreement the Preferred Shares shall be redeemed in full by the Company; following such redemption of the Preferred Shares, the Common Shares shall constitute all of the issued and outstanding capital stock of the Company; and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Common Shares, subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I**:

[REDACTED]

“**Accountant**” has the meaning set forth in **Section 2.02(b)**.

“**Additional Cash Flow Testing Reserve**” means the amount reported at Exhibit 5, Line 079997 of the Company’s SAP Financial Statements for the year ended December 31, 2019.

“**Adjusted Capital and Surplus**” means, with respect to the Company, the amount, as at a specific date, equal to: (i) Capital and Surplus; minus (ii) Statutory Book Value of Subsidiaries;

and minus (iii) Statutory Book Value of Preferred Stock; plus (iv) Asset Valuation Reserve; and plus (v) Additional Cash Flow Testing Reserve.¹

“**Affiliate**” of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Agreement**” has the meaning set forth in the preamble.

“**Asset Valuation Reserve**” means, with respect to the Company, the amount, as at a specific date, determined consistent with line 24.01, column 1 of the “Liabilities, Surplus and Other Funds” page of the Company’s quarterly and annual statements filed with the Domiciliary Regulator, computed and applied on a basis consistent with the Company’s practices for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

“**Audited Financial Statements**” has the meaning set forth in **Section 3.06(a)**.

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in Delaware are authorized or required by Law to be closed for business.

“**Buyer**” has the meaning set forth in the preamble.

“**Buyer Ancillary Agreements**” has the meaning set forth in **Section 2.03(a)(ii)**.

“**Capital and Surplus**” means, with respect to the Company, the amount, as at a specific date, determined consistent with line 38, column 1 of the “Liabilities, Surplus and Other Funds” page of the Company’s quarterly and annual statements filed with the Domiciliary Regulator, computed and applied on a basis consistent with the Company’s practices for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

“**Closing**” has the meaning set forth in **Section 2.04**.

“**Closing Date**” has the meaning set forth in **Section 2.04**.

“**Closing Date Purchase Price**” means the amount, equal to the sum of (i) Estimated Adjusted Capital and Surplus and (ii) Five Hundred Thousand dollars (\$500,000.00)

“**Closing Transactions**” has the meaning set forth in **Section 2.04**.

¹ For the avoidance of doubt and as means of an example only, Adjusted Capital and Surplus as of March 31, 2020 would have been calculated as follows: \$33,655,042 (Capital and Surplus) minus \$16,080,132 (Statutory Book Value of Subsidiaries), and minus \$3,325,000 (Statutory Book Value of Preferred Stock), plus \$1,209,432 (Asset Valuation Reserve), and plus \$2,250,000 (Additional Cash Flow Testing Reserve) = \$17,709,342.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Common Shares**” has the meaning set forth in the recitals.

“**Common Stock**” has the meaning set forth in **Section 3.03(a)**.

“**Company**” has the meaning set forth in the recitals.

“**Confidentiality Agreement**” means the Mutual Non-Disclosure, Confidentiality and Proprietary Rights Agreement, dated as of October 10, 2019, and amended as of May 29, 2020, between Buyer and the Company.

“**Contracts**” means any contract, lease, license, indenture, mortgage or other agreement or legally binding understanding, commitment or arrangement.

“**Deductible**” has the meaning set forth in **Section 7.04(a)**.

“**Direct Claim**” has the meaning set forth in **Section 7.05(c)**.

“**Disclosure Schedules**” means the Disclosure Schedules delivered by Seller to Buyer and by Buyer to Seller concurrently with the execution and delivery of this Agreement.

“**Dollars or \$**” means the lawful currency of the United States.

“**Domiciliary Regulator**” means the Wisconsin Office of the Commissioner of Insurance.

“**Employee Benefit Plans**” means any pension plan, profit sharing plan, bonus plan, incentive compensation plan, stock purchase plan, stock option plan, stock appreciation plan, employee benefit policy, retirement plan, fringe benefit program, health, dental, life or disability insurance plan, severance plan or any other plan or program to provide income or benefits to active or former employees of the Company.

“**Encumbrance**” means any lien, pledge, mortgage, deed of trust, security interest, charge, claim, easement, encroachment or other similar encumbrance.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended, and the regulations promulgated thereunder.

“**Estimated Adjusted Capital and Surplus**” means Adjusted Capital and Surplus determined by Seller as at the end of the month immediately preceding the Closing Date, after giving effect to the transfer of excess cash contemplated by **Section 3.05** of the Disclosure Schedules such that, following such transfer of cash, Adjusted Capital and Surplus of the Company is \$3,250,000; Seller shall communicate the calculation of Estimated Adjusted Capital and Surplus to Buyer at least five (5) Business Days prior to the Closing Date in a schedule outlining the assets

and liabilities used in its calculation that were determined consistent with using the Company's SAP practices,

"Final Adjusted Capital and Surplus" has the meaning set forth in **Section 2.02(b)**.

"Final Purchase Price" has the meaning set forth in **Section 2.02(c)**.

"Financial Statements" has the meaning set forth in **Section 3.06(a)**.

"Governmental Authority" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"Income Tax" means any federal, state, local, or foreign Tax measured by or imposed on net income, including any interest, penalty, or addition thereto, whether disputed or not.

"Income Tax Return" means any Tax Return relating to Income Taxes, including any schedule or attachment thereto and including any amendment thereof.

"Indemnified Party" has the meaning set forth in **Section 7.04**.

"Indemnifying Party" has the meaning set forth in **Section 7.04**.

"Insurance Licenses" has the meaning set forth in **Section 3.12(a)**.

"Insurance Reserves" means any reserves, funds or provisions for losses, claims and other liabilities in respect of insurance policies and annuities, including any endorsement and riders thereto, issued or administered by the Company that are in force on the Closing Date.

"Interim Financial Statements" has the meaning set forth in **Section 3.06(a)**.

"IRS" means the Internal Revenue Service.

"Knowledge of Seller" or any other similar knowledge qualification, means the actual knowledge of either Larry Graber or Donna Nelson and the knowledge that either Larry Graber or Donna Nelson would reasonably be expected to have based upon his/her respective positions with the Company.

“**Law**” means any statute, law, ordinance, regulation, rule, code, plan, injunction, order, ruling, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

“**Losses**” means actual out-of-pocket losses, damages, liabilities, costs or expenses, including attorneys’ reasonable fees.

“**Material Adverse Effect**” means any event, occurrence, fact, condition or change that is materially adverse to: (i) the business, results of operations, financial condition or assets of the Company; or (ii) the ability of Seller to consummate the transactions contemplated hereby; provided, however, that, “**Material Adverse Effect**” shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to (A) general economic or political conditions, (B) conditions generally affecting the industries in which the Company operates, (C) any changes in financial, banking or securities markets in general, including any disruption thereof and any decline in the price of any security or any market index or any change in prevailing interest rates, (D) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof, (E) any action required or permitted by this Agreement (including, without limitation, as contemplated by **Sections 2.06(d)(i)** and **2.06(e)**, the transfer, prior to the Closing, by the Company to Seller of all of the issued and outstanding capital stock of the Subsidiaries) or any action taken (or omitted to be taken) with the written consent of or at the written request of Buyer, (F) any matter of which Buyer is aware or of which Seller has Knowledge on the date hereof, (G) any changes in applicable Laws or accounting rules (including SAP) or the enforcement, implementation or interpretation thereof, (H) the announcement, pendency or completion of the transactions contemplated by this Agreement, including losses or threatened losses of employees, customers, suppliers, distributors or others having relationships with the Company, (I) any natural or man-made disaster or acts of God, or (J) any failure by the Company to meet any internal or published projections, forecasts or revenue or earnings predictions (provided that the underlying causes of such failures (subject to the other provisions of this definition) shall not be excluded).

“**Material Contracts**” has the meaning set forth in **Section 3.08**.

“**Permits**” means all permits, licenses, franchises, approvals, authorizations, and consents required to be obtained from Governmental Authorities relating to the operation of the Company's business or the ownership of the Company's assets.

“**Permitted Encumbrances**” has the meaning set forth in **Section 3.09(a)**.

“**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

“**Pre-Closing Straddle Period**” has the meaning set forth in **Section 6.06(d)**.

“**Pre-Closing Tax Period**” has the meaning set forth in **Section 6.06(a)**.

“**Preferred Shares**” has the meaning set forth in the recitals.

“Preferred Stock” has the meaning set forth in **Section 3.03(a)**.

“QL System” means the QLAdmin Solutions, Inc. system utilized by the Company as of the date of this Agreement.

“Real Property” means any real property used by the Company in the operation of its business, together with all buildings, structures and facilities located thereon.

“Regulatory Agreement” has the meaning set forth in **Section 3.12(d)**.

“Representative” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

“SAP” means statutory accounting principles prescribed or permitted for insurance companies by the Domiciliary Regulator applied on a consistent basis throughout the periods involved, except where such accounting practices have been amended, supplemented or otherwise prescribed by such Domiciliary Regulator.

“SAP Financial Statements” has the meaning set forth in **Section 3.06(b)**.

“Scheduled Investments” has the meaning set forth in **Section 3.16(a)**.

“Section 338(h)(10) Election” has the meaning set forth in **Section 6.05(a)**

“Section 338(h)(10) Election Forms” has the meaning set forth in **Section 6.05(b)**.

“Seller” has the meaning set forth in the preamble.

“Seller Ancillary Agreements” has the meaning set forth in **Section 2.03(b)(iii)**.

“Statutory Book Value of Preferred Stock” means the value set forth on Line 30, column 1, on the “Liabilities, Surplus and Other Funds” exhibit of the Company’s annual statement filed with the Domiciliary Regulator, computed and applied on a basis consistent with the Company’s practices for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

“Statutory Book Value of Subsidiaries” means, with respect to the Company, the amount, as at a specific date, determined consistent with: (i) the sum of (A) line 18, column 1 and (B) line 24, column 1, on “Schedule D – Summary by Country” of the Company’s annual statement filed with the Domiciliary Regulator; and (ii) response 14.27, column 2 of the General Interrogatories of the Company’s quarterly statement filed with the Domiciliary Regulator, computed and applied on a basis consistent with the Company’s practices for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

“Straddle Period” means a taxable period that begins before the Closing Date and ends after the Closing Date.

“**Subsidiaries**” means those entities set forth in **Section 3.04** of the Disclosure Schedules.

“**Tax**” or “**Taxes**” means: (i) any and all federal, state, local or foreign income, gross receipts, franchise, estimated, alternative minimum, add-on minimum, sales, use, transfer, real property gains, registration, value added, excise, natural resources, severance, stamp, occupation, premium, windfall profit, environmental, customs, duties, real property, unclaimed property or similar obligation, special assessment, personal property, common stock, social security, unemployment, disability, payroll, license, employee or other withholding, or other tax (including any fee, levy, customs duty, tariff, impost and other charge in lieu of any tax) imposed by any Governmental Authority or Taxing Authority; (ii) any liability for the payment of any amounts of the type described in clause (i) above as a result of being a member of, or a successor member of, an affiliated, combined, consolidated or unitary group for any taxable period; and (iii) any and all interest, penalties, additions to tax and additional amounts imposed in connection with or with respect to any amounts described in clauses (i) or (ii) above.

“**Tax Proceeding**” has the meaning set forth in **Section 6.06(f)**.

“**Tax Return**” means any return, declaration, report, claim for refund, or information return or statement relating to, filed with or submitted to any Governmental Authority in connection with the determination, assessment, collection or payment of Tax, including any schedule or attachment thereto, and including any amendment thereof.

“**Taxing Authority**” means any Governmental Authority responsible for the administration or the imposition of any Tax.

“**Third-Party Claim**” has the meaning set forth in **Section 7.05(a)**.

“**Transactions**” means the transactions described in or contemplated by this Agreement.

“**Transaction Expenses**” means, to the extent not paid prior to the Closing: (i) the fees, expenses and other similar amounts that have been or are expected to be incurred on or prior to the Closing Date on behalf of the Company in connection with this Agreement and the Transactions, including any investment banking, accounting, advisory, broker’s, finder’s, escrow agent or legal fees, and fees to be paid to any Governmental Authority or other Person; and (ii) any Taxes required to be paid by the Company in connection with any of the foregoing.

“**Transaction Tax Deductions**” means items of taxable losses or deductions resulting from or attributable to Transaction Expenses, to the extent such Transaction Expenses are paid or incurred by the Company at or prior to Closing.

“**Transfer Taxes**” has the meaning set forth in **Section 6.06(b)**.

“**Transfer Tax Returns**” has the meaning set forth in **Section 6.06(b)**.

ARTICLE II PURCHASE AND SALE

Section 2.01 Purchase and Sale. Subject to the terms and conditions set forth herein, at the Closing, Seller shall sell to Buyer, and Buyer shall purchase from Seller, the Common Shares for the Final Purchase Price.

Section 2.02 Purchase Price; Post-Closing Adjustment.

(a) At the Closing, Buyer shall pay the Closing Date Purchase Price in cash to Seller; as provided in **Section 2.02(c)**, the Closing Date Purchase Price shall be adjusted to arrive at the Final Purchase Price.

(b) No later than forty-five (45) calendar days following the Closing, Seller shall prepare and deliver to Buyer a statement setting forth in reasonable detail Seller's calculation of the Adjusted Capital and Surplus with updated asset and liability values and amounts if any as at the Closing Date (the "**Final Adjusted Capital and Surplus**"). Within ten (10) Business Days of receipt of Seller's calculation of the Final Adjusted Capital and Surplus, Buyer shall provide any comments with respect thereto to Seller. If Buyer does not provide any comments with respect to the Final Adjusted Capital and Surplus within such ten (10) Business Day period, the Closing Date Purchase Price shall be adjusted as provided in **Section 2.02(c)**. If Buyer does not agree with Seller's calculation of the Final Adjusted Capital and Surplus, Buyer shall so notify Seller and provide proposed revisions to such calculation. If Seller does not agree with Buyer's proposed revisions to the calculation of the Final Adjusted Capital and Surplus, Buyer and Seller shall attempt, in good faith, to resolve such disagreement; provided, however, that, if Buyer and Seller have not resolved their disagreement with respect to the calculation of the Final Adjusted Capital and Surplus within twenty (20) Business Days of the date following the date on which Buyer provided Seller with proposed revisions to the calculation of the Final Adjusted Capital and Surplus, Buyer and Seller shall jointly retain a mutually acceptable nationally-recognized accounting firm (the "**Accountant**") to resolve such disagreement and determine the Final Adjusted Capital and Surplus. The costs of the Accountant shall be borne equally by Buyer and Seller. Upon determination of the Final Adjusted Capital and Surplus by the Accountant, the Closing Date Purchase Price shall be adjusted as provided in **Section 2.02(c)**.

(c) Following the final determination of the Final Adjusted Capital and Surplus as set forth in **Section 2.02(b)**, Buyer and Seller shall recalculate the Closing Date Purchase Price by substituting the Final Adjusted Capital and Surplus for the Estimated Adjusted Capital and Surplus in the Closing Date Purchase Price, and the result of such calculation shall be the "**Final Purchase Price**." If the Final Purchase Price is greater than the Closing Date Purchase Price, Buyer shall pay in cash to Seller within three (3) Business Days the amount by which the Final Purchase Price exceeds the Closing Date Purchase Price. If the Final Purchase Price is less than the Closing Date Purchase Price, Seller shall pay in cash to Buyer within three (3) Business Days the amount by which the Closing Date Purchase Price exceeds the Final Purchase Price.

Section 2.03 Transactions to be Effected at the Closing.

(a) At the Closing, Buyer shall deliver to Seller:

(i) the Closing Date Purchase Price by wire transfer of immediately available funds to an account of Seller, which shall be designated in writing by Seller to Buyer no later than two Business Days prior to the Closing Date; and

(ii) all other agreements, documents, instruments or certificates required to be delivered by Buyer at or prior to the Closing pursuant to **Section 2.06(f)** (collectively, the “**Buyer Ancillary Agreements**”).

(b) At the Closing, Seller shall deliver to Buyer:

(i) stock certificates evidencing the Common Shares, free and clear of all Encumbrances other than Permitted Encumbrances, duly endorsed in blank or accompanied by stock powers or other instruments of transfer duly executed in blank, with all required stock transfer tax stamps affixed thereto;

(ii) the following total amount, by wire transfer of immediately available funds to an account of Buyer, which shall be designated in writing by Buyer to Seller no later than two (2) Business Days prior to the Closing Date:

(A) the Company’s Adjusted Capital and Surplus of \$3,250,000.00, following consummation of the transactions contemplated by **Section 3.05** of the Disclosure Schedules; plus

(B) the net proceeds of the conversion of all the Scheduled Investments (other than the Scheduled Investment set forth in **Section 3.16(c)** of the Disclosure Schedules) to cash as provided in **Section 2.05(e)(ii)** and any “accrued” interest, dividend or other distribution on any Scheduled Investment that has not been paid thereon by its issuer and received as of the Closing Date (such amounts shall be paid by Seller to Buyer on or before forty-five (45) calendar days following the Closing Date and included in the final reconciliation of the Company’s assets and liabilities); and

(iii) all other agreements, documents, instruments or certificates required to be delivered by Seller at or prior to the Closing pursuant to **Section 2.05(e)** (collectively, the “**Seller Ancillary Agreements**”).

Section 2.04 Closing. The Closing of the transactions (the “**Closing Transactions**”) contemplated by this Agreement (the “**Closing**”) shall take place at 10:00 a.m. Central time five (5) Business Days following the satisfaction of all conditions precedent of Buyer and Seller to the consummation of the transactions contemplated by this Agreement (the “**Closing Date**”) at the offices of Quarles & Brady, LLP at 33 E. Main Street, Suite 900, Madison, Wisconsin 53703. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. Central time on the Closing Date.

Section 2.05 Conditions to Buyer's Obligation. The obligation of Buyer to consummate the Closing Transactions is subject to the satisfaction (or waiver by Buyer in writing) of the following conditions as at the time of the Closing:

(a) The representations and warranties set forth in **Article III** shall be true and correct in all material respects at and as at the Closing Date (except to the extent made with reference to an earlier date, in which case as at such earlier date);

(b) Seller shall have performed and complied in all material respects with all of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing except for breaches of such covenants and agreements that would not have a Material Adverse Effect;

(c) No action or proceeding shall be pending before any Governmental Authority in which an unfavorable judgment, decree, injunction or order would prevent the consummation of the Closing Transactions;

(d) The parties shall have received all necessary approvals or permissions from Governmental Authorities with respect to the transactions contemplated by this Agreement including approval of Buyer's Form A application to acquire the Common Shares; and

(e) On or prior to the Closing Date, Seller shall have delivered to Buyer all of the following (dated as at the Closing Date, except as otherwise indicated):

(i) Copies of all consents, approvals, waivers and authorizations referred to in **Section 3.05** of the Disclosure Schedules, together with satisfactory evidence that the transactions contemplated by **Section 3.05** of the Disclosure Schedules have been consummated;

(ii) Evidence that all of the Scheduled Investments (other than the Scheduled Investment set forth in **Section 3.16(c)** of the Disclosure Schedules) have been converted to cash;

(iii) Evidence that the assets of the Company held in trust and under that certain Reinsurance Trust Agreement made the 31st day of August, 2006, by and among the Company (as Grantor), Guaranty Income Life Insurance Company (as Beneficiary) and JPMorgan Chase Bank, N.A. (as Trustee) have been converted to cash;

(iv) Copies of all Permits and other licenses, including, but not limited to, software licenses, held by the Company and identified to Seller by Buyer at least five (5) Business Days prior to the Closing Date;

(v) Copies of the assignments, indemnity agreements and other documents set forth in **Section 2.05(e)(v)** of the Disclosure Schedules, duly executed by Seller;

(vi) Evidence of the termination of the Contracts set forth in **Section 2.05(e)(vi)** of the Disclosure Schedules;

(vii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying that attached thereto is a true and complete copy of all resolutions adopted by the board of directors of Seller authorizing the execution, delivery and performance of this Agreement and each of the Seller Ancillary Agreements and the consummation of the transactions contemplated hereby or thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby;

(viii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Seller certifying the names and signatures of the officers of Seller authorized to sign this Agreement and each of the Seller Ancillary Agreements and the other documents to be delivered hereunder or thereunder;

(ix) a certificate of the President or any Vice President of Seller certifying that each of the conditions set forth in **Section 2.05(a)** and **Section 2.05(b)** has been satisfied;

(x) to the extent applicable, copies of the agreements contemplated by **Section 6.07**, duly executed by Seller;

(xi) a copy of the electronic NAIC filing data file utilized in connection with the Company's annual statement filed with the Domiciliary Regulator for the year ended December 31, 2019; and

(xii) executed letters of resignation of all of the Company's officers and directors effective as of the Closing Date.

Section 2.06 Conditions to Seller's Obligation. The obligation of Seller to consummate the Closing Transactions is subject to the satisfaction (or waiver by Seller in writing) of the following conditions as at the time of the Closing:

(a) The representations and warranties set forth in **Article IV** shall be true and correct in all material respects at and as at the Closing Date (except to the extent made with reference to an earlier date, in which case as at such earlier date);

(b) Buyer shall have performed and complied in all material respects with all of the covenants and agreements required to be performed by it under this Agreement at or prior to the Closing except for breaches of such covenants and agreements that would not have a Material Adverse Effect;

(c) No action or proceeding shall have been commenced by any Governmental Authority in which an unfavorable judgment, decree, injunction or order would prevent the consummation of the Closing Transactions;

(d) The parties and the Company shall have received all necessary approvals or permissions from Governmental Authorities with respect to the transactions contemplated by this Agreement

including: (i) approval and consummation of the transactions contemplated in **Section 3.05** of the Disclosure Schedules; and (ii) approval of Buyer's Form A application to acquire the Common Shares;

(e) Subject to receipt of the approval contemplated by **Section 2.06(d)(i)**, the Company shall have effected the transfer of all of the issued and outstanding capital stock of the Subsidiaries; and

(f) On or prior to the Closing Date, Buyer shall have delivered to Seller all of the following:

(i) Copies of all consents, approvals, waivers and authorizations referred to in **Section 4.02** of the Disclosure Schedules;

(ii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying that attached thereto is a true and complete copy of all resolutions adopted by the board of directors of Buyer authorizing the execution, delivery and performance of this Agreement and each of the Buyer Ancillary Agreements and the consummation of the transactions contemplated hereby or thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby;

(iii) a certificate of the Secretary or an Assistant Secretary (or equivalent officer) of Buyer certifying the names and signatures of the officers of Buyer authorized to sign this Agreement and each of the Buyer Ancillary Agreements and the other documents to be delivered hereunder or thereunder;

(iv) a certificate of the President or any Vice President of Buyer certifying that each of the conditions set forth in **Section 2.06(a)** and **Section 2.06(b)** has been satisfied;

(v) to the extent applicable, copies of the agreements contemplated by **Section 6.07**, duly executed by Buyer; and

(vi) two (2) signed originals of IRS Form 8023, together with any applicable similar state and local forms, executed by Buyer.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in **Sections 3.01 to 3.20** are true and correct as at the date hereof, except to the extent set forth in the Disclosure Schedules delivered by Seller to Buyer and attached hereto:

Section 3.01 Organization and Authority of Seller. Seller is a corporation duly organized, validly existing and in good standing under the Laws of the State of Delaware. Seller has all necessary corporate power and authority to enter into this Agreement and each of the Seller Ancillary Agreements, to carry out its obligations hereunder or thereunder and to consummate the transactions contemplated hereby or thereby. The execution and delivery by Seller of this Agreement and the Seller Ancillary Agreements, the performance by Seller of its obligations hereunder or thereunder and the consummation by Seller of the transactions contemplated hereby

or thereby have been duly authorized by all requisite corporate action on the part of Seller. This Agreement has been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement constitutes, and each of the Seller Ancillary Agreements shall, when executed and delivered, constitute, a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 3.02 Organization, Authority and Qualification of the Company. The Company is an insurance corporation duly organized, validly existing and in good standing under the Laws of the State of Wisconsin and has all necessary corporate power and authority to own, operate or lease the properties and assets now owned, operated or leased by it and to carry on its business as it is currently conducted. The Company is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the properties owned or leased by it or the operation of its business as currently conducted makes such licensing or qualification necessary, except where the failure to be so licensed, qualified or in good standing would not have a Material Adverse Effect. All corporate actions taken by the Company in connection with this Agreement shall be duly authorized on or prior to the Closing.

Section 3.03 Capitalization.

(a) The authorized capital stock of the Company consists of: (i) 35,000 shares of common stock, par value \$50 per share ("**Common Stock**"), of which 32,000 shares are issued and outstanding; (ii) 15,000 shares of class A preferred stock, par value \$500 per share, of which 6,650 shares are issued and outstanding; and (iii) 25,000 shares of class B preferred stock, par value \$.10 per share, of which no shares are issued and outstanding (the class A preferred stock and class B preferred stock are collectively referred to herein as the "**Preferred Stock**"). All of the shares of Common Stock and shares of Preferred Stock which have been issued have been duly authorized, are validly issued, fully paid and non-assessable, and are owned of record and beneficially by Seller, free and clear of all Encumbrances, other than Permitted Encumbrances.

(b) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the capital stock of the Company or obligating Seller or the Company to issue or sell any shares of capital stock of, or any other interest in, the Company. The Company does not have outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights. There are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Common Shares or the Preferred Shares.

Section 3.04 Subsidiaries. Section 3.04 of the Disclosure Schedules sets forth for each subsidiary of the Company (collectively, the “**Subsidiaries**”): (i) its name and jurisdiction of incorporation or formation; (ii) the number of authorized shares for each class of its capital stock; and (iii) the number of issued and outstanding shares of each class of its capital stock. Each of the Subsidiaries is wholly-owned by the Company. Except as set forth in Section 3.04 of the Disclosure Schedules, and other than the Subsidiaries and the Scheduled Investments, the Company does not own, directly or indirectly, any stock, partnership interest, membership interest or joint venture interest in, or any security issued by, any other Person.

Section 3.05 No Conflicts; Consents. The execution, delivery and performance by Seller of this Agreement and each of the Seller Ancillary Agreements, and the consummation of the transactions contemplated hereby or thereby, do not and shall not: (i) result in a violation or breach of any provision of the certificate of incorporation or by-laws of Seller or the Company; (ii) result in a violation or breach of any provision of any Law or Governmental Order applicable to Seller or the Company; or (iii) except as set forth in Section 3.05 of the Disclosure Schedules, require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of, any Material Contract, except in the cases of clauses (ii) and (iii), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a Material Adverse Effect. Except as set forth in Section 3.05 of the Disclosure Schedules, no consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Seller or the Company in connection with the execution and delivery of this Agreement or any of the Seller Ancillary Agreements and the consummation of the transactions contemplated hereby or thereby, except for such consents, approvals, Permits, Governmental Orders, declarations, filings or notices which, if not obtained, made or given, would not have a Material Adverse Effect.

Section 3.06 Financial Statements.

(a) Copies of the Company’s audited statutory basis financial statements consisting of the statements of admitted assets, liabilities and capital and surplus of the Company as at December 31, 2019, December 31, 2018 and December 31, 2017, and the related statutory statements of operations, changes in capital and surplus, and cash flow for the years then ended (collectively, the “**Audited Financial Statements**”), and the unaudited quarterly statutory basis financial statements consisting of the statement of assets, liabilities, surplus and other funds of the Company as at March 31, 2020, and the summary of operations and statement of cash flow for the three-month period then ended (the “**Interim Financial Statements**” and together with the Audited Financial Statements, the “**Financial Statements**”) have been delivered or made available to Buyer. The Financial Statements have been prepared in accordance with SAP, subject, in the case of the Interim Financial Statements, to normal and recurring quarter-end adjustments. The Audited Financial Statements fairly present in all material respects the admitted assets, liabilities and capital and surplus of the Company as at the respective dates they were prepared and the results of the operations of the Company and its cash flows for the periods indicated. The Interim Financial Statements fairly present in all material respects the assets, liabilities, surplus and other funds of the Company as at March 31, 2020, and the summary of operations and statement of cash flow for the three-month period then ended.

(b) Seller has heretofore delivered or made available to Buyer a complete and correct copy of the annual statements of the Company filed with the Domiciliary Regulator for the years ended December 31, 2019, December 31, 2018 and December 31, 2017, together with all exhibits, schedules and amendments thereto and any annual statement filed with the insurance regulator of any other state that differs from the corresponding statement filed with the Domiciliary Regulator (collectively, the “**SAP Financial Statements**”). The SAP Financial Statements have been prepared in accordance with SAP throughout the periods involved and in accordance with the books and records of the Company, except as expressly set forth or disclosed in the notes, exhibits or schedules thereto. The SAP Financial Statements fairly present the assets, liabilities, surplus and other funds of the Company, as at the dates thereof in accordance with SAP, and the summary of its operations and statement of cash flows for each of the periods indicated.

(c) The Company has determined its Insurance Reserves on a basis consistent with the Company’s practices for the years ended December 31, 2019, December 31, 2018, and December 31, 2017.

Section 3.07 Absence of Certain Changes, Events and Conditions. To the Knowledge of Seller, since March 31, 2020, the Company has conducted its business in all material respects in the ordinary course of business consistent with past custom and practice, and there has not occurred any event or change that has had, or would reasonably be expected to have, a Material Adverse Effect

Section 3.08 Material Contracts. Copies of: (i) all material Contracts related to the operation of the Company’s business (“**Material Contracts**”) to which the Company is a party or by which it or any of its assets are bound; and (ii) all Contracts between the Company and Seller or any of its Affiliates, in the case of both (i) and (ii) above which are in the possession of Seller, have been provided to and/or access to which have been afforded to Buyer.

Section 3.09 Title to Assets; Real Property.

(a) Except as set forth in **Section 3.09(a)** of the Disclosure Schedules, the Company has good and valid title to, or a valid leasehold interest in, all tangible personal property and other assets reflected in the Audited Financial Statements or acquired after December 31, 2019, other than properties and assets sold or otherwise disposed of in the ordinary course of business since December 31, 2019. All such properties and assets (including leasehold interests) are free and clear of Encumbrances except for the following (collectively referred to as “**Permitted Encumbrances**”): (i) those items set forth in **Section 3.09(a)** of the Disclosure Schedules; (ii) liens for Taxes not yet due and payable or being contested in good faith by appropriate procedures; (iii) mechanics’, carriers’, workmen’s, repairmen’s or other like liens arising or incurred in the ordinary course of business; (iv) easements, rights of way, zoning ordinances and other similar encumbrances affecting Real Property; (v) liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business; or (vi) other imperfections of title or Encumbrances, if any, that have not had, and would not have, a Material Adverse Effect.

(b) **Section 3.09(b)** of the Disclosure Schedules lists the street address of the Company’s leased Real Property, and identifies the lessor under such lease.

- (c) The Company does not own any Real Property.

Section 3.10 Legal Proceedings; Governmental Orders.

(a) There are no actions, suits, claims, investigations or other legal proceedings pending or, to the Knowledge of Seller, threatened against or by the Company affecting any of the Company's properties or assets (or by or against Seller or any Affiliate thereof and relating to the Company), which if determined adversely to the Company (or to Seller or any Affiliate thereof) would result in a Material Adverse Effect.

(b) Except as set forth in **Section 3.10(b)** of the Disclosure Schedules, neither the Company nor Seller (or any Affiliate thereof and relating to the Company) is a party to any settlement or settlement negotiations.

(c) There are no outstanding Governmental Orders and no unsatisfied judgments, penalties or awards against or affecting the Company or any of its properties or assets that would have a Material Adverse Effect.

Section 3.11 Compliance with Laws; Permits.

(a) The Company is in compliance with all Laws applicable to it or its business, properties or assets, except where the failure to be in compliance would not have a Material Adverse Effect; provided, however, that to the Knowledge of Seller, the Company is in compliance with all escheatment and similar Laws applicable to it or its business, properties or assets, except where the failure to be in compliance would not have a Material Adverse Effect, and **Section 3.11(a)** of the Disclosure Schedules sets forth a summary of the procedures the Company utilizes in an effort to comply with escheatment and similar Laws applicable to it or its business, properties or assets.

(b) All Permits required for the Company to conduct its business have been obtained by it and are valid and in full force and effect, except where the failure to obtain such Permits would not have a Material Adverse Effect.

Section 3.12 Insurance Matters.

(a) **Section 3.12(a)** of the Disclosure Schedules lists the jurisdictions in which the Company is licensed to engage in the business of insurance or as an insurance producer or agent and the lines of authority for which the Company is so licensed. The licenses and lines of authority listed in **Section 3.12(a)** of the Disclosure Schedules shall permit the Company to act as a licensed insurer in such states and for such lines of authority following the Closing. Seller has delivered or made available to Buyer a true and complete copy of licensing documentation (including any Permits) for each such state (such licenses, the "**Insurance Licenses**"), including, without limitation, any order of, agreement with or instruction by any Governmental Authority that limits, conditions or otherwise affects any such Insurance License. All such Insurance Licenses are valid, unrestricted and in full force and effect.

(b) The Company is not the subject of any regulatory, supervision, conservation, rehabilitation, liquidation, receivership, insolvency or other similar proceeding and, to the Knowledge of Seller, no such proceeding is threatened. **Section 3.12(a)** of the Disclosure Schedules lists the state of domicile of the

Company, and the Company is not a “commercially domiciled insurer” under applicable Law or is otherwise treated as domiciled in a jurisdiction other than its state of domicile.

(c) Seller has made available for inspection by Buyer a true and complete copy of: (i) any reports of examination (including, without limitation, financial, market conduct and similar examinations) of the Company issued by any insurance Governmental Authority since January 1, 2017, and any of the comments on or responses thereto made by the Company or such regulatory authority; and (ii) all holding company registration statements, amendments thereto, filings or submissions made by Seller (or an Affiliate of Seller) on behalf of the Company or by the Company with any insurance Governmental Authority, including any risk management report or own risk and solvency assessment or summary thereof since January 1, 2017. Since January 1, 2017, each of Seller and the Company has filed all reports, registrations, filings and submissions required to be filed with any insurance Governmental Authority. All such reports, registrations, filings and submissions were in compliance in all material respects with applicable Law when filed or as amended or supplemented.

(d) Neither Seller nor the Company is subject to any outstanding order or to any written agreement, consent agreement or memorandum of understanding with, and neither Seller nor the Company is a party to any commitment letter or similar undertaking to, is subject to any order or directive by, or is a recipient of any supervisory letter from or has adopted any resolutions at the request of, any Governmental Authority that by its terms restricts in any material respect the conduct of the business of the Company or that in any manner relates to the Company's capital adequacy, the Company's management or the Company's business (each, a “**Regulatory Agreement**”), nor has Seller or the Company been advised since December 31, 2017 by any Governmental Authority that such Governmental Authority is considering issuing or requesting any such Regulatory Agreement.

(e) To the Knowledge of Seller, all insurance policies and annuities issued by the Company and currently in place are on forms approved by the applicable Governmental Authorities when issued or were filed and not objected to (or such objection has been withdrawn or resolved) by such Governmental Authorities within the period provided for objection. Except as set forth in **Section 3.12(e)** of the Disclosure Schedule, all forms of insurance policies and annuities currently in force are on samples of forms which have been made available to Buyer.

(f) Except as set forth in **Section 3.12(f)** of the Disclosure Schedules, to the Knowledge of Seller, all “Plan Codes” have been set up properly on the QL System, and the Company’s Insurance Reserves that are calculated on the QL System are correctly and appropriately calculated in accordance with the rules established by the jurisdiction of the Company’s domicile. To the extent any policy shows up in the “Error Listings” section of the QL System or is not administered on the QL System, Insurance Reserves with respect to such policies are manually calculated correctly and appropriately in accordance with the rules established by the jurisdiction of the Company’s domicile.

Section 3.13 Claims Handling. All insurance claims paid by the Company have in all material respects been paid in accordance with the terms of the insurance contracts under which they arose, except for such claims for which the Company has reasonable belief there was a reasonable basis to contest payment, as required by applicable Law.

Section 3.14 Market Conduct. Since January 1, 2017: (i) the Company has not marketed, sold or issued any insurance products; (ii) the Company has used no advertising, promotional or sales materials; and (iii) neither the manner in which the Company compensates any Person involved in the servicing of the Company's products that is not an insurance agent, nor, to the Knowledge of Seller, the conduct of any such Person, renders such Person an insurance agent under any applicable Laws, and the manner in which the Company compensates each Person involved in the servicing of the Company's products is in compliance in all material respects with all applicable Laws.

Section 3.15 Agents/Producers. The Company has no insurance agents or producers.

Section 3.16 Investments.

(a) **Section 3.16(a)** of the Disclosure Schedules sets forth (other than the Subsidiaries) a current list of all bonds, stocks, mortgages and other investment securities of any type owned by the Company as at a date within five Business Days prior to the date hereof (collectively, the "**Scheduled Investments**"). The Company has good and marketable title to each of the Scheduled Investments.

(b) None of the Scheduled Investments is currently in default in the payment of principal or interest, and, to the Knowledge of Seller, no event has occurred which reasonably would be expected to result in a material diminution of the value of any non-publicly traded security owned by the Company.

(c) There are no Encumbrances on any of the Scheduled Investments, except for: (i) those Scheduled Investments deposited with Governmental Authorities, as indicated in **Section 3.16(c)** of the Disclosure Schedules; (ii) Encumbrances which do not materially detract from the value of the Scheduled Investments subject thereto; and (iii) Permitted Encumbrances.

(d) Neither Seller nor the Company has taken, or omitted to take, any action which would result in the Company being unable to enforce the terms of any Scheduled Investment or which would cause any Scheduled Investment to be subject to any valid offset, defense or counterclaim against the right of the Company to enforce the terms of such Scheduled Investment.

Section 3.17 Tax Matters.

(a) The Company has timely filed all material Tax Returns (taking into account any valid extensions) that it was required to file and has timely paid all Taxes due and payable for all Tax periods or portions thereof, whether or not shown on such Tax Returns. All such Tax Returns are true, complete and correct in all material respects.

(b) No claim has ever been made in writing by a Taxing Authority in a jurisdiction where the Company does not file Tax Returns that it is or may be subject to Taxation by that jurisdiction.

(c) The Company has withheld and timely paid to the appropriate Governmental Authority all Taxes required to have been withheld in connection with any amounts paid by the Company to any employee, stockholder, creditor, supplier or third party.

(d) There are no Encumbrances for Taxes, other than Permitted Encumbrances, upon any of the assets of the Company.

(e) There is no inquiry or dispute concerning any Tax liability of the Company claimed or raised in writing by any Governmental Authority that is currently pending or threatened. All Tax deficiencies or assessments asserted or made by a Governmental Authority against the Company as a result of any examination of the Company's Tax Returns have been paid or fully settled.

(f) The Company has not agreed to an extension or waiver of the statute of limitations applicable to any Tax Return or Tax.

(g) The Company shall not be a party to, bound by or subject to any Tax allocation or Tax sharing agreement (or similar agreement) at Closing.

(h) The Company shall not be required to include any item of income in, or exclude any item of deduction from, taxable income for any Taxable period (or portion thereof) ending after the Closing Date as a result of any: (i) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local, or foreign income Tax Law) executed on or prior to the Closing Date; (ii) change in method of accounting for a Taxable period, or portion thereof, ending on or prior to the Closing Date; (iii) installment sale or open transaction disposition made on or prior to the Closing Date; (iv) cash basis method of accounting or percentage of completion method of accounting; (v) an election under Section 108(i) of the Code; (vi) prepaid amount received on or prior to the Closing Date; or (vii) intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of Tax Law).

(i) The Company is not and has not been a party to any "listed transaction," as defined in Section 6707A(c)(2) of the Code and Reg. Section 1.6011-4(b)(2), or any analogous provision of state or local law. The Company has disclosed on its federal Income Tax Returns all positions taken therein that could give rise to a substantial understatement of federal income Tax within the meaning of Section 6662 of the Code.

(j) The Company has not been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

(k) None of the assets of the Company constitute tax-exempt bond financed property within the meaning of Section 168 of the Code, and none of such assets is subject to a lease, safe harbor lease or other arrangement as a result of which the Company is not treated as the owner for U.S. federal income Tax purposes.

(l) The Company does not have and has not had a permanent establishment, and has not engaged in a trade or business, in any foreign country as defined in any applicable Tax treaty or convention between the United States and such foreign country.

Section 3.18 Brokers. Except for Fletcher Financial, Inc., the fee of which shall be paid by Buyer as provided in **Section 6.04**, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller or the Company.

Section 3.19 Employment Matters.

(a) **Section 3.19(a)** of the Disclosure Schedules lists all employees of the Company, their current rates of compensation, most recent pay increases, and dates of hire and sets forth each employee of the Company that has an employment agreement with the Company.

(b) **Section 3.19(b)** of the Disclosure Schedules lists all of the Employee Benefit Plans. Each Employee Benefit Plan is and at all times has been in material compliance with all applicable Laws, including ERISA. Neither the Company nor any Subsidiary is contributing to, or has contributed to, any multi-employer plan, as defined in ERISA. Any Employee Benefit Plan previously maintained by the Company that has been terminated was done so in compliance in all material respects with all applicable Laws.

(c) There is no accumulated funding deficiency, within the meaning of ERISA or the Code, in connection with the Employee Benefit Plans and no reportable event, as defined in ERISA, has occurred in connection with the Employee Benefit Plans. The Employee Benefit Plans have not, nor has any trustee or administrator of the Employee Benefit Plans, engaged in any "prohibited transaction" as defined in ERISA or the Code which would result in any liability of the Company. The Employee Benefit Plans have not, nor has the Company, incurred any liability for any excise tax under the Code with respect thereto.

(d) Except to the extent required under ERISA and the Code, neither the Company nor any Employee Benefit Plan provides or has any obligation to provide (or contribute to the cost of) post-retirement (or post-termination of service) welfare benefits with respect to current or former employees of the Company, including post-retirement medical, dental, life insurance, severance, or any similar benefit, whether provided on an insured or self-insured basis.

Section 3.20 Labor Matters.

(a) The Company is in material compliance with all federal, state, or other applicable Laws regarding employment and employment practices, terms and conditions of employment, and wages and hours, and there are no pending or, to the Knowledge of Seller, threatened unfair labor practices, charges or complaints against the Company.

(b) There are no pending or, to the Knowledge of Seller, threatened claims against the Company (whether under federal or state Law, under any employee agreement or otherwise) on account of or for: (i) overtime pay, other than overtime pay for the current payroll period; (ii) wages or salaries, other than wages or salaries for the current payroll period; or (iii) vacation, time off or pay in lieu of vacation or time off, other than vacation or time off (or pay in lieu thereof) earned in the past twelve-month period.

(c) The Company has made all required payments to its unemployment compensation reserve accounts with the appropriate government authorities, and there are no employees currently receiving unemployment compensation benefits which are being charged against any such account.

The Company is not a party to or bound by any collective bargaining or similar labor Contract.

Except for the representations and warranties contained in this **Article III** (subject to the applicable portions of the Disclosure Schedules), none of Seller, the Company or any other Person makes any express or implied representation or warranty, either written or oral, on behalf of Seller or the Company with respect to Seller, the Company, this Agreement, the Seller Ancillary Agreements, the Buyer Ancillary Agreements, or the transactions contemplated by this Agreement, the Seller Ancillary Agreements or the Buyer Ancillary Agreements, including any representation or warranty as to the accuracy or completeness of any information regarding the Company furnished or made available to Buyer (including any information, documents or material made available to Buyer in management presentations or in any other form in expectation of the transactions contemplated hereby) or as to the future revenue, profitability or success of the Company, or any representation or warranty arising from statute or otherwise in Law.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in **Sections 4.01 to 4.06** are true and correct as at the date hereof, except to the extent set forth in the Disclosure Schedules delivered by Buyer to Seller and attached hereto.

Section 4.01 Organization and Authority of Buyer. Buyer is a corporation duly organized, validly existing and in good standing under the Laws of the state of Oklahoma. Buyer has all necessary corporate power and authority to enter into this Agreement and each of the Buyer Ancillary Agreements, to carry out its obligations hereunder or thereunder and to consummate the transactions contemplated hereby or thereby. The execution and delivery by Buyer of this Agreement and each of the Buyer Ancillary Agreements, the performance by Buyer of its obligations hereunder or thereunder and the consummation by Buyer of the transactions contemplated hereby or thereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement has been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement constitutes, and the Buyer Ancillary Agreements shall constitute, a legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity).

Section 4.02 No Conflicts; Consents. The execution, delivery and performance by Buyer of this Agreement and each of the Buyer Ancillary Agreements, and the consummation of the transactions contemplated hereby or thereby, do not and shall not: (i) result in a violation or breach of any provision of the articles of incorporation or bylaws of Buyer; (ii) result in a violation

or breach of any provision of any Law or Governmental Order applicable to Buyer; or (iii) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default under or result in the acceleration of any agreement to which Buyer is a party, except in the cases of clauses (ii) and (iii), where the violation, breach, conflict, default, acceleration or failure to give notice would not have a material adverse effect on Buyer's ability to consummate the transactions contemplated hereby. Except as set forth in **Section 4.02** of the Disclosure Schedules, no consent, approval, permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Buyer in connection with the execution and delivery of this Agreement or any of the Buyer Ancillary Agreements and the consummation of the transactions contemplated hereby or thereby, except for such consents, approvals, permits, Governmental Orders, declarations, filings or notices which, if not obtained, made or given, would not have a Material Adverse Effect.

Section 4.03 Investment Purpose. Buyer is acquiring the Common Shares solely for its own account for investment purposes and not with a view to, or for offer or sale in connection with, any distribution thereof. Buyer acknowledges that the Common Shares are not registered under the Securities Act of 1933, as amended, or any securities laws, and that the Common Shares may not be transferred or sold except pursuant to the registration provisions of the Securities Act of 1933, as amended, or pursuant to an applicable exemption therefrom and subject to state securities laws and regulations, as applicable. Buyer is able to bear the economic risk of holding the Common Shares for an indefinite period (including total loss of its investment), and has sufficient knowledge and experience in financial and business matters so as to be capable of evaluating the merits and risk of its investment.

Section 4.04 Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Buyer; provided, however, that, upon consummation of the Transactions, Buyer shall pay the fee of Fletcher Financial, Inc., as provided in **Section 6.04**.

Section 4.05 Legal Proceedings. There are no actions, suits, claims, investigations or other legal proceedings pending or, to Buyer's knowledge, threatened against or by Buyer or any Affiliate of Buyer that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement.

Section 4.06 Independent Investigation. Buyer has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) and assets of the Company, and acknowledges that Buyer has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company for such purpose. Buyer acknowledges and agrees that: (i) in making its decision to enter into this Agreement and the Buyer Ancillary Agreements and to consummate the transactions contemplated hereby or thereby, Buyer has relied solely upon its own investigation and the express representations and warranties of Seller set forth in **Article III** of this Agreement (subject to the applicable portions of the Disclosure Schedules); and (ii) none of Seller, the Company or any other Person has made any representation or warranty as to

Seller, the Company or this Agreement, except as expressly set forth in **Article III** of this Agreement (subject to the applicable portions of the Disclosure Schedules).

Except for the representations and warranties contained in this **Article IV**, neither Buyer nor any other Person makes any other express or implied representation or warranty, either written or oral, on behalf of Buyer, with respect to Buyer, this Agreement, the Buyer Ancillary Agreements, or the Seller Ancillary Agreements, or the transactions contemplated by this Agreement, the Buyer Ancillary Agreements or the Seller Ancillary Agreements.

ARTICLE V

CERTAIN MATTERS PENDING THE CLOSING

From and after the date of this Agreement and until the Closing:

Section 5.01 Full Access. Buyer and its authorized agents, officers, and representatives shall have access to the Company, and its employees, business and operations during normal business hours in order to conduct such examination and investigation of the Company as Buyer deems reasonably necessary, provided, however, that, such examinations shall not unreasonably interfere with the Company's operations and activities.

Section 5.02 Carry on in Regular Course. Except as specifically provided for herein, Seller shall cause the Company to: (i) carry on its business in the ordinary course and in the same manner as heretofore conducted; (ii) maintain all of its insurance policies relating to the Company's business in full force and effect; (iii) not, without the prior written approval of Buyer, make or institute any new methods of management, accounting, operation, or other business practice; (iv) not engage in any transaction not in the usual and ordinary course of business and consistent with the Company's or such Subsidiary's normal business practices; (v) other than as contemplated by **Section 2.05(e)(ii)** and **Sections 2.06(d)(i)** and **2.06(e)**, not sell or dispose of any assets of the Company or any Subsidiary, except sales or dispositions in the ordinary course of business or sales or dispositions of obsolete items; (vi) other than standard year-end salary adjustments and payment of annual bonuses, not increase or decrease the compensation rates or benefits of the employees of the Company, institute any new Employee Benefit Plan, or enter into or modify any written employment arrangement with any Person; (vii) not (A) issue any additional shares of stock of any class or grant any warrants, options or rights to subscribe for or acquire any additional shares of stock of any class, (B) other than as contemplated by **Section 2.06(d)(i)**, declare or pay any dividend or make any capital or surplus distributions of any nature, or (C) other than as contemplated by **Section 2.06(d)(i)**, directly or indirectly redeem, purchase or otherwise acquire, recapitalize or reclassify any of its capital stock or liquidate in whole or in part; (viii) not create, incur or assume any indebtedness outside of the ordinary course of business; (ix) not amend its amended and restated articles of incorporation or bylaws; (x) use and operate its assets in a normal business manner and maintain and keep its assets in good repair; (xi) comply in all material respects with all applicable Laws; (xii) timely and properly file all federal, state, local and foreign Tax returns which are required to be filed, and pay or make provision for the payment of all Taxes owed by it; and (xiii) not do any act or omit to do any act which shall cause a breach of any of the Material Contracts.

Section 5.03 Consents and Approvals.

(a) Each party hereto shall, as promptly as possible, use its reasonable commercial efforts to obtain, or cause to be obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that are necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement. Each party shall cooperate fully with the other party and the other party's Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals. Neither party shall fully take any action that shall have the effect of delaying, impairing or impeding the receipt of any such required consents, authorizations, orders and approvals.

(b) All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments and proposals made by or on behalf of either party before any Governmental Authority or the staff or regulators of any Governmental Authority, in connection with the transactions contemplated hereunder (but, for the avoidance of doubt, not including any interactions between Seller or the Company with Governmental Authorities in the ordinary course of business, any disclosure which is not permitted by Law or any disclosure containing confidential information) shall be disclosed to the other party hereunder in advance of any filing, submission or attendance, it being the intent that the parties shall consult and cooperate with one another, and consider in good faith the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments, and proposals. Each party shall give notice to the other party with respect to any meeting, discussion, appearance or contact with any Governmental Authority or the staff or regulators of any Governmental Authority, with such notice being sufficient to provide the other party with the opportunity to attend and participate in such meeting, discussion, appearance or contact.

(c) Seller and Buyer shall use commercially reasonable efforts to give all required notices to, and obtain all required consents from, all third parties that are described in **Section 3.05** and **Section 4.02** of the Disclosure Schedules; provided, however, that, neither Seller nor Buyer shall be obligated to pay any consideration therefor to any third party from whom consent or approval is requested.

Section 5.04 Cooperation. Seller and Buyer shall: (i) reasonably cooperate with each other and their respective legal counsel, accountants and other advisors in connection with any steps to be taken as part of their obligations under this Agreement; (ii) use their reasonable efforts to satisfy those conditions set forth in Article II which are to be satisfied by them; and (iii) cooperate in all reasonable respects with the other party in such party's efforts to satisfy the conditions to be satisfied by the other party.

ARTICLE VI COVENANTS

Section 6.01 Confidentiality. Buyer acknowledges and agrees that the Confidentiality Agreement remains in full force and effect and, in addition, covenants and agrees to keep confidential, in accordance with the provisions of the Confidentiality Agreement, information provided to Buyer pursuant to this Agreement. If this Agreement is, for any reason, terminated prior to the Closing, the Confidentiality Agreement and the provisions of this **Section 6.01** shall nonetheless continue in full force and effect.

Section 6.02 Books and Records.

(a) In order to facilitate the resolution of any claims made against or incurred by Seller prior to the Closing, or for any other reasonable purpose, for a period of seven years after the Closing, Buyer and any of its Affiliates shall:

(i) retain the books and records (including personnel files) of the Company either delivered by Seller to Buyer or any of its Affiliates in connection with this Transaction or otherwise in the possession of the Company on the Closing Date relating to periods prior to the Closing ; and

(ii) upon reasonable notice, afford Representatives of Seller reasonable access (including the right to make, at Seller's expense, photocopies), during normal business hours and without any material disruption or interruption to Buyer's or any of its Affiliates' normal business processes, to such books and records (for purposes of clarity only, Buyer and any of its Affiliates, as the case may be, shall, after the Closing, provide Representatives of Seller access to, among other things contemplated by this Section 6.02(a), those items set forth in **Section 6.02(a)** of the Disclosure Schedules).

(b) In order to facilitate the resolution of any claims made by or against or incurred by Buyer or the Company after the Closing, or for any other reasonable purpose, for a period of seven years following the Closing, Seller and any of its Affiliates shall:

(i) retain the books and records of Seller or any of its Affiliates which relate to the Company, its personnel and payroll records, and its operations for periods prior to the Closing; and

(ii) upon reasonable notice, afford Representatives of Buyer or the Company reasonable access (including the right to make, at Buyer's expense, photocopies), during normal business hours and without any material disruption or interruption to Seller's or any of its Affiliates' normal business processes, to such books and records.

(c) Neither Buyer nor Seller, nor any of their respective Affiliates, shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this **Section 6.02** where such access would violate any Law.

Section 6.03 Public Announcements. Unless otherwise required by applicable Law or stock exchange requirements (based upon the reasonable advice of counsel), no party (nor any of their respective Affiliates) to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party, and the parties shall cooperate as to the timing and contents of any such announcement. Nothing in this **Section 6.03** shall prevent either party (or any of their respective Affiliates) from making any disclosure to any Governmental Authority, including the Domiciliary Regulator, related to the transactions contemplated hereby

Section 6.04 Payment to Broker. At the Closing, Buyer shall pay to Fletcher Financial, Inc. all compensation owed for the Transactions.

Section 6.05 Tax Treatment and Closing Date Purchase Price Allocation; Section 338(h)(10) Election.

(a) Buyer and Seller shall join and cooperate in making an election under Section 338(h)(10) of the Code (and any corresponding elections under foreign, state or local Tax law) with respect to the sale and purchase of the Common Shares hereunder (a "**Section 338(h)(10) Election**"). Buyer shall prepare and complete all documents, including IRS Form 8023, required to effect the making of the Section 338(h)(10) Election and deliver such documents to Seller for execution prior to the Closing.

(b) Within six (6) months following the Closing Date, Buyer shall prepare a draft allocation of the aggregate deemed sales price (within the meaning of Treasury Regulations Section 1.338-4) of the Company assets deemed sold, and the adjusted grossed-up basis (within the meaning of Treasury Regulations Section 1.338-5) of the Company assets deemed purchased, in accordance with Treasury Regulations Section 1.338-6 and the other requirements of the Code, including any adjustments thereto required under Treasury Regulations Section 1.338-7 (collectively, the "**Section 338(h)(10) Election Forms**"). Seller shall, within ten (10) days of receipt of the Section 338(h)(10) Election Forms, notify Buyer of any dispute it may have with such Section 338(h)(10) Election Forms. Buyer and Seller shall negotiate in good faith to resolve such objections within 5 days after Seller notifies Buyer of any such dispute. Buyer shall revise such Section 338(h)(10) Election Forms with such changes as agreed in writing by Buyer and Seller. If the event that Buyer and Seller have not resolved their disagreements with respect to the Section 338(h)(10) Election Forms, Buyer and Seller shall jointly retain the Accountant to resolve such disputes and the determination of the Accountant shall be binding on both Buyer and Seller with respect to Section 338(h)(10) Election Forms. The costs of the Accountant shall be borne equally by Buyer and Seller.

(c) Buyer and Seller shall prepare and timely file their respective income Tax Returns in accordance with the Section 338(h)(10) Election Forms, as finalized pursuant to **Section 6.05(b)**, for the taxable year in which the Closing Date occurs and Buyer and Seller agree that such amounts shall be adjusted in accordance with Section 1060 of the Code and the Treasury Regulations promulgated thereunder as a result of any adjustments to the Closing Date Purchase Price. Buyer and Seller agree that they shall not take, or cause or permit to be taken, any action in connection with the filing of any Tax Return or election on behalf of Seller, Buyer or the Company which would be inconsistent with this **Section 6.05(c)**, except as otherwise required by Law.

Section 6.06 Tax Matters.

(a) Responsibility for Filing Tax Returns. Seller shall prepare, or cause to be prepared, and file, or cause to be filed, on a timely basis all Income Tax Returns with respect to the Company for taxable periods ending on or before the Closing Date (a "**Pre-Closing Tax Period**") in a manner which is consistent with past practice except as otherwise required by applicable Law. Buyer and the Company shall be responsible for filing all other Tax Returns of the Company for all taxable periods ending after the Closing Date, including any Straddle Period. Buyer shall provide any Straddle Period Income Tax Returns for which it is responsible for preparation and filing (including supporting work papers and any

other information reasonably requested by Seller) to Seller at least fifteen (15) calendar days prior to the date on which such Income Tax Returns are required to be filed (taking into consideration applicable extensions) for its review and comment. Within five (5) Business Days after the receipt of any Income Tax Return for review, Seller shall submit to Buyer in writing any proposed changes to such Income Tax Return. Buyer and Seller shall endeavor in good faith to resolve any differences with respect to the Straddle Period Income Tax Returns. Notwithstanding the foregoing, Seller shall have exclusive control and final decision-making authority regarding the preparation and filing of the Income Tax Returns of the Company for Pre-Closing Tax Periods.

(b) Transfer Taxes. Buyer shall be responsible for any transfer, documentary, sales, use, stamp, registration and other such Taxes, and all conveyance fees, recording charges and other fees and charges (including any penalties and interest) incurred in connection with the consummation of the Transactions (collectively, "**Transfer Taxes**"). Any such Transfer Taxes shall be paid by Buyer when due and Buyer shall file all necessary Tax Returns and other documentation with respect to all such Taxes, fees and charges, and, if required by applicable Law, Buyer and Seller shall, and shall cause their Affiliates to, join in the execution of any such Tax Returns and other documentation ("**Transfer Tax Returns**").

(c) Payment of Pre-Closing Taxes. Seller shall pay all Taxes with respect to the Pre-Closing Tax Periods (except for Transfer Taxes in accordance with Section 6.06(b)), including any liability of the Company for Taxes under Treasury Regulation 1.1502-6, as a transferee or successor, or by Contract, including any Tax allocation, Tax indemnity or Tax sharing agreement. Seller shall pay to Buyer, at least two (2) Business Days prior to the date on which the Tax Returns for the Straddle Period are due the amount of any unpaid Taxes of the Company with respect to any Pre-Closing Straddle Period to the extent that the amount of such Taxes exceeds the Taxes reflected in the final determination of the Final Adjusted Capital and Surplus.

(d) Straddle Period Allocation. Buyer and Seller shall cause, to the maximum extent possible under applicable Law, any Taxable period of the Company that would otherwise be a Straddle Period to end as at the close of business on the Closing Date. In order to apportion appropriately any Taxes relating to the Straddle Period, Buyer shall cause the Company, to the extent permitted by Law, to elect with the relevant Taxing Authority to treat for all Tax purposes the Closing Date as the last day of the taxable period of the Company. In any case where applicable Law does not permit the Company to treat the Closing Date as the last day of the Taxable year or period, for purposes of this Agreement, the portion of any Tax payable with respect to a Straddle Period shall be allocated between the period of the Straddle Period that extends before the Closing Date through (and including) the Closing Date (the "**Pre-Closing Straddle Period**") and the period of the Straddle Period that extends from the day immediately after the Closing Date to the end of the Straddle Period in accordance with this **Section 6.06(d)**.

(e) Calculation of Pre-Closing Straddle Period Taxes. The portion of such Tax attributable to the Pre-Closing Straddle Period shall: (i) in the case of any Taxes other than sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a Straddle Period be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the taxable year or period ending on and including the Closing Date and the denominator of which is the number of days in the Straddle Period; and (ii) in the case of any sales or use taxes, value-added taxes, employment taxes, withholding taxes, and any Tax based on or measured by income, receipts or profits earned during a

Straddle Period, be determined on a "closing of the books basis" by assuming that the books of the Company were closed at the end of the day on the Closing Date; provided, however, that, exemptions, allowances or deductions that are calculated on an annual basis, such as the deduction for depreciation, shall be apportioned between such two (2) taxable years or periods on a daily basis. Any Tax Returns for a Straddle Period shall be prepared by Buyer and the Company in a manner which is consistent with Seller's past practice except as otherwise required by applicable Law.

(f) Contest Provisions. Buyer shall promptly notify Seller in writing upon receipt by Buyer, any of its Affiliates, or the Company, of notice of any pending or threatened federal, state, local or foreign Tax audits, examinations or assessments which might affect the Tax liabilities of the Company or Seller for periods or portions thereof ending on or including the Closing Date, including the Pre-Closing Straddle Period ("**Tax Proceeding**") prior to initiating any Tax Proceeding with any Taxing Authority, provided, however, that, failure to provide notice of a Tax Proceeding shall not relieve any Party of its obligations pursuant to this Agreement except to the extent such Party was materially prejudiced by such failure. Seller, at Seller's expense, may participate and, upon written notice to Buyer, assume defense of any such Tax Proceeding. If Seller assumes such defense, then Seller shall have the authority, with respect to any Tax Proceeding, to represent the interest of the Company before the relevant Taxing Authority and shall have the right to control the defense, compromise and other resolution of any such Tax Proceeding, subject to the limitations set forth in this **Section 6.06(f)**, including responding to inquiries, and contesting, defending against and resolving any assessment for additional Taxes or notice of Tax deficiency or other adjustment of Taxes of, or relating to, such Tax Proceeding. Seller shall not enter into any settlement of or otherwise compromise any such Tax Matter to the extent that it adversely affects the Tax liability of Buyer, the Company or any Affiliate of the foregoing for a post-Closing Tax period without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed. The Seller shall, in good faith, allow Buyer to consult with Seller regarding the conduct of or positions taken in any Tax Proceeding. Buyer shall have the right (but not the duty) to participate in the defense of such Tax Proceeding and employ counsel, solely at its own expense, separate from counsel employed by Seller.

(g) Cooperation. In connection with the preparation of Tax Returns, audit examinations and any administrative or judicial proceeding relating to the Tax liabilities imposed on the Company for all Tax periods ending on or before the Closing Date, Buyer and the Company on the one hand and Seller on the other hand, shall reasonably cooperate, and shall cause their respective Affiliates, directors, managers, officers, employees, agents, auditors and representatives reasonably to cooperate, in preparing and filing all Tax Returns, including maintaining and making available during normal business hours, of records, personnel (as reasonably required), books of account, powers of attorney or other materials necessary or helpful for the preparation of such Tax Returns, the conduct of audit examinations or the defense of claims by Taxing Authorities as to the imposition of Taxes and any assessment or reassessment in respect of Taxes. Buyer agrees that from and after the Closing Date, Buyer shall, and shall cause the Company, their Affiliates and successors to: (i) retain and maintain such records and information until the expiration of the applicable statute of limitations (and, to the extent notified by Seller, any extensions thereof) for the respective Tax periods; and (ii) give Seller written notice prior to transferring, destroying or discarding any such books and records and shall allow Seller to take possession of such books and records.

(h) Refunds and Credits. Any refunds or credits of Taxes of the Company plus any interest received with respect thereto (net of any Taxes imposed on such interest, and net of any third party fees or expenses incurred directly in connection with such refund or credit) from the applicable Taxing

Authority for any Pre-Closing Tax Period and the Pre-Closing Straddle Period (including refunds or credits arising by reason of amended Tax Returns filed after the Closing Date) shall be for the account of Seller and shall be paid by Buyer to Seller within ten (10) days after Buyer or the Company receives such refund (or upon the application of any such refund or credit and interest as a credit against future Taxes). For purposes of this **Section 6.06(h)**, where it is necessary to apportion any such refund, credit or reduction between Buyer and Seller for a Straddle Period, such refund, credit or reduction shall be apportioned in the same manner that a comparable or similar Tax liability would be apportioned pursuant to **Section 6.06(d)**. If any refunds or credits or any related interest previously paid to Seller pursuant to this **Section 6.06(h)** is required to be repaid to a Taxing Authority or is subsequently disallowed by a Taxing Authority, Seller shall be required to repay to Buyer such previously paid amounts. Any other provisions of this Agreement to the contrary notwithstanding, any Transaction Tax Deductions shall be treated as attributable to a Pre-Closing Tax Period, and any net Tax benefits attributable to such Transaction Tax Deductions shall be for Seller's account according to this **Section 6.06(h)**. Except as otherwise required by applicable Law, Buyer and Seller shall allocate all Transaction Tax Deductions to the applicable Pre-Closing Tax Period (including, if applicable, the Pre-Closing Straddle Period) and not to any Tax period (or portion thereof) beginning after the Closing Date.

(i) Tax Sharing Agreements. Seller shall cause all Tax sharing agreements or similar agreements with respect to or involving the Company to be terminated as at the Closing Date and, after the Closing Date, the Company shall not be bound thereby or have any liability thereunder.

Section 6.07 Other Agreements. Both Seller and Buyer recognize the requirements of the other (and their respective Affiliates) for certain transition or other services, including both parties' requirements for the services of the Company's current employees, to be provided post-Closing. In that spirit, Seller and Buyer (for themselves and their Affiliates) agree to negotiate in good faith and execute agreements on or prior to the Closing Date so as to satisfy such requirements on commercially reasonable terms.

Section 6.08 Further Assurances. Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances, and take such further actions as may be reasonably required, at the cost and expense of the requesting party, to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement.

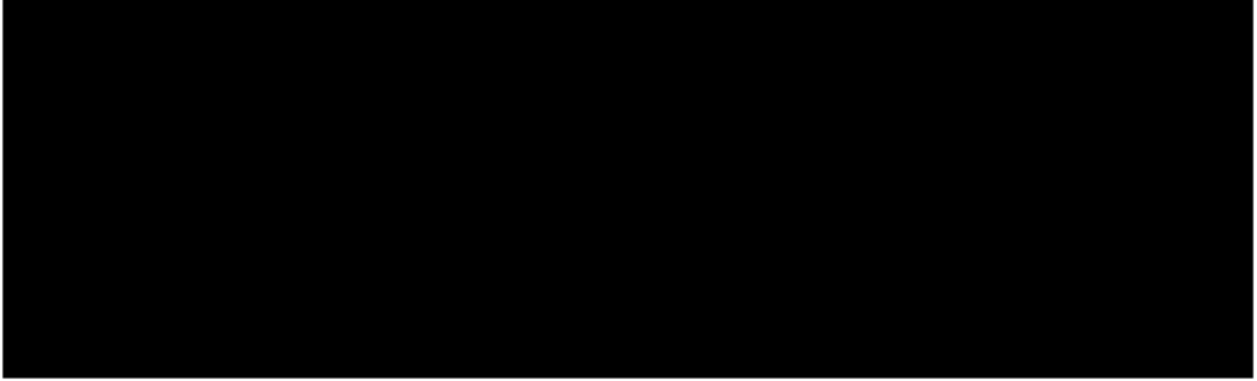
Section 6.09 Post-Closing Covenant of Buyer. On the Closing Date or as soon as practicable thereafter, Buyer will transfer the amount transferred by Seller to Buyer pursuant to Section 2.03(b)(ii) to one or more accounts in the name of the Company.

ARTICLE VII INDEMNIFICATION

Section 7.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is eighteen months (548 days) from the Closing Date. None of the covenants or other agreements contained in this Agreement shall survive the Closing Date

other than those which by their terms contemplate performance after the Closing Date, and each such surviving covenant and agreement shall survive the Closing for the period contemplated by its terms. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of such survival period and such claims shall survive until finally resolved.

Section 7.02 Indemnification by Seller. Subject to the other terms and conditions of this **Article VII**, Seller shall indemnify Buyer against, and shall hold Buyer harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Buyer based upon, arising out of, with respect to or by reason of: (i) any inaccuracy in or breach of any of the representations or warranties of Seller contained in **Article III** of this Agreement; (ii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement;



Section 7.03 Indemnification by Buyer. Subject to the other terms and conditions of this **Article VII**, Buyer shall indemnify Seller against, and shall hold Seller harmless from and against, any and all Losses incurred or sustained by, or imposed upon, Seller based upon, arising out of, with respect to or by reason of: (i) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in **Article IV** of this Agreement; or (ii) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement.

Section 7.04 Certain Limitations. The party making a claim under this **Article VII** is referred to as the “**Indemnified Party**,” and the party against whom such claims are asserted under this **Article VII** is referred to as the “**Indemnifying Party**.” The indemnification provided for in **Section 7.02** and **Section 7.03** shall be subject to the following limitations:

(a) The Indemnifying Party shall not be liable to the Indemnified Party for indemnification under clause (i) of **Section 7.02** or clause (i) of **Section 7.03**, as the case may be, until the aggregate amount of all Losses in respect of indemnification under clause (i) of **Section 7.02** or clause (i) of **Section 7.03**, as the case may be, exceeds [REDACTED] (the “**Deductible**”), in which event the Indemnifying Party shall only be required to pay or be liable for Losses in excess of the Deductible.

(b) The aggregate amount of all Losses for which an Indemnifying Party shall be liable pursuant to clause (i) of **Section 7.02** or clause (i) of **Section 7.03**, as the case may be, shall not exceed [REDACTED].

(c) Payments by an Indemnifying Party pursuant to **Section 7.02** or **Section 7.03** in respect of any Loss shall be limited to the amount of any liability or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution or other similar payment received or reasonably expected to be received by the Indemnified Party (or the Company) in respect of any such claim. The Indemnified Party shall use its commercially reasonable efforts to recover under insurance policies or indemnity, contribution or other similar agreements for any Losses prior to seeking indemnification under this Agreement.

(d) Payments by an Indemnifying Party pursuant to **Section 7.02** or **Section 7.03** in respect of any Loss shall be reduced by an amount equal to any Tax benefit realized or reasonably expected to be realized as a result of such Loss by the Indemnified Party. If the Indemnifying Party and the Indemnified Party are unable to agree as to the amount of such realized or reasonably expected to be realized Tax benefit as a result of a Loss, the Indemnifying Party and the Indemnified Party shall attempt in good faith to resolve such disagreement; provided, however, that, if the Indemnifying Party and the Indemnified Party have not resolved their dispute within twenty (20) Business Days of the date on which one party provided written notice to the other party setting forth the specifics of the dispute, the Indemnifying Party and the Indemnified Party shall jointly retain the Accountant to resolve such disagreement and determine the amount of such Tax benefit. The determination of the Accountant shall be final and binding. The costs of the Accountant shall be borne equally by the Indemnifying Party and the Indemnified Party.

(e) Except in connection with a claim for indemnification under clauses (iii) or (iv) of **Section 7.02**, in no event shall any Indemnifying Party be liable to any Indemnified Party for any punitive, incidental, consequential, special or indirect Losses, including loss of future revenue or income, loss of business reputation or opportunity relating to the breach or alleged breach of this Agreement, or diminution of value or any damages based on any type of multiple.

(f) Each Indemnified Party shall take, and cause its Affiliates to take, all reasonable steps to mitigate any Loss upon becoming aware of any event or circumstance that would be reasonably expected to, or does, give rise thereto, including incurring costs only to the minimum extent necessary to remedy the breach that gives rise to such Loss.

(g) Seller shall not be liable under this **Article VII** for any Losses based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement if Buyer had knowledge of such inaccuracy or breach prior to the Closing.

(h) No claim for indemnification under clause (i) of **Section 7.02** or clause (i) of **Section 7.03** may be made after the expiration of the survival period set forth in **Section 7.01** and no claim for indemnification under clause (ii) of **Section 7.02** or clause (ii) of **Section 7.03** may be made more than three years after the Closing Date. There shall be no time limitation for any claim for indemnification under clauses (iii) and (iv) of **Section 7.02**.

Section 7.05 Indemnification Procedures.

(a) **Third-Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action, suit, claim or other legal proceeding made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a “**Third-Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure; provided, however, that notice of any such Third-Party Claim must first be made by the Indemnified Party to the Indemnifying Party in the manner and within the time periods set forth in this **Article VII**. Such notice by the Indemnified Party shall describe the Third-Party Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defense of any Third-Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defense. In the event that the Indemnifying Party assumes the defense of any Third-Party Claim, subject to **Section 7.05(b)**, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counterclaims pertaining to any such Third-Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defense of any Third-Party Claim with counsel selected by the Indemnified Party subject to the Indemnifying Party’s right to control the defense thereof. If the Indemnifying Party elects not to compromise or defend such Third-Party Claim or fails to promptly notify the Indemnified Party in writing of the Indemnifying Party’s election to defend as provided in this Agreement, the Indemnified Party may, subject to **Section 7.05(b)**, pay, compromise or defend such Third-Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third-Party Claim. Seller and Buyer shall cooperate with each other in all reasonable respects in connection with the defense of any Third-Party Claim, including making available (subject to the provisions of **Section 6.02**) records relating to such Third-Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defense of such Third-Party Claim.

(b) **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third-Party Claim without the prior written consent of the Indemnified Party (which consent shall not be unreasonably withheld or delayed), except as provided in this **Section 7.05(b)**. If a firm offer is made to settle a Third-Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third-Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within 20 days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third-Party Claim and in such event, the maximum liability of the Indemnifying Party as to such Third-Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defense of such Third-Party Claim, the Indemnifying Party may settle the Third-

Party Claim upon the terms set forth in such firm offer to settle such Third-Party Claim. If the Indemnified Party has assumed the defense pursuant to **Section 7.05(a)**, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) **Direct Claims.** Any claim by an Indemnified Party on account of a Loss which does not result from a Third-Party Claim (a “**Direct Claim**”) shall be asserted by the Indemnified Party giving the Indemnifying Party prompt written notice thereof. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defenses by reason of such failure; provided, however, that notice of any such Direct Claim must first be made by the Indemnified Party to the Indemnifying Party in the manner and within the time period set forth in **Section 7.01**. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 30 days after its receipt of such notice to respond in writing to such Direct Claim. During such 30-day period, the Indemnified Party shall allow the Indemnifying Party and the Indemnifying Party’s professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party’s investigation by giving such information and assistance (including access to the Company’s premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 30-day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 7.06 Tax Treatment of Indemnification Payments. All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Final Purchase Price for Tax purposes, unless otherwise required by Law.

Section 7.07 Exclusive Remedies. Subject to **Section 8.11**, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **Article VII**. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this **Article VII**. Nothing in this **Section 7.07** shall limit any Person’s right to seek and obtain any equitable relief to which any Person shall be entitled pursuant to **Section 8.11** or to seek any remedy on account of fraud by any party hereto.

**ARTICLE VIII
MISCELLANEOUS**

Section 8.01 Expenses. Except as otherwise expressly provided herein (including **Section 6.04** hereof), all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 8.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given: (i) when delivered by hand (with written confirmation of receipt); (ii) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (iii) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient; or (iv) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 8.02**):

If to Seller:

HONOR CAPITAL CORP.
96 Cummings Point Road
Stamford, Connecticut 06902
Facsimile: 203.358.3103
E-mail: slapin@ihc-geneve.com
Attention: Steven B. Lapin, President

with a copy to:

QUARLES & BRADY LLP
33 E. Main St., Suite 900
Madison, Wisconsin 53703
Facsimile: 608.294.4944
E-mail: William.Toman@quarles.com
Attention: William J. Toman, Esq.

If to Buyer:

UNIVERSAL FIDELITY
LIFE INSURANCE COMPANY
13931 Quail Pointe Drive
Oklahoma City, OK 73134
Facsimile: 405.608.0167
E-mail: bhaggard@uflic.com
Attention: Carleton B. Haggard,
President and Chief Executive Officer

with a copy to:

UNIVERSAL FIDELITY
LIFE INSURANCE COMPANY
13931 Quail Pointe Drive
Oklahoma City, OK 73134
Facsimile: 405.608.0167
E-mail: kconrad@uflic.com
Attention: Kyle D. Conrad
General Counsel

Section 8.03 Interpretation. For purposes of this Agreement: (i) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”; (ii) the word “or” is not exclusive; and (iii) the words “herein,” “hereof,” “hereby,” “hereto” and “hereunder” refer to this Agreement as a whole. Unless the context otherwise requires, references herein, (A) to Articles, Sections, Disclosure Schedules and Exhibits mean the Articles and Sections of, and Disclosure Schedules and Exhibits attached to, this Agreement, (B) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof, and (C) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The Disclosure Schedules and Exhibits referred to herein shall be construed with, and as an integral part of, this Agreement to the same extent as if they were set forth verbatim herein. Wherever the context of this Agreement requires, the singular word shall include the plural, and vice versa.

Section 8.04 Headings. The headings in this Agreement and in the Disclosure Schedule and Exhibits are for reference only and shall not affect the interpretation of this Agreement.

Section 8.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 8.06 Entire Agreement. Collectively, this Agreement (including the Disclosure Schedules and Exhibits hereto), the Buyer Ancillary Agreements, the Seller Ancillary Agreements and the Confidentiality Agreement, constitute the entire agreement of the parties, and supersede all prior and contemporaneous representations, warranties, understandings and agreements, both written and oral, with respect to the subject matter hereof. In the event of any inconsistency between the statements in the body of this Agreement, and those in the Buyer Ancillary Agreements, the Seller Ancillary Agreements, the Confidentiality Agreement, the Exhibits and

Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement shall control.

Section 8.07 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent may be withheld or delayed at the sole discretion of the other party. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.08 No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns, and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.09 Amendment and Modification; Waiver. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.10 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial.

(a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction).

(b) ANY LEGAL SUIT, ACTION OR PROCEEDING ARISING OUT OF OR BASED UPON THIS AGREEMENT, THE BUYER ANCILLARY AGREEMENTS, THE SELLER ANCILLARY AGREEMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY MAY BE INSTITUTED IN THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA OR THE COURTS OF THE STATE OF DELAWARE, AND EACH PARTY IRREVOCABLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS IN ANY SUCH SUIT, ACTION OR PROCEEDING. SERVICE OF PROCESS, SUMMONS, NOTICE OR OTHER DOCUMENT BY MAIL TO SUCH PARTY'S ADDRESS SET FORTH HEREIN SHALL BE EFFECTIVE SERVICE OF PROCESS FOR ANY SUIT, ACTION OR OTHER PROCEEDING BROUGHT IN ANY SUCH COURT. THE PARTIES IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY OBJECTION TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR ANY PROCEEDING IN SUCH COURTS AND IRREVOCABLY WAIVE AND AGREE NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT, THE BUYER ANCILLARY AGREEMENTS, OR THE SELLER ANCILLARY AGREEMENTS IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE BUYER ANCILLARY AGREEMENTS, THE SELLER ANCILLARY AGREEMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY. EACH PARTY TO THIS AGREEMENT CERTIFIES AND ACKNOWLEDGES THAT: (i) NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT SEEK TO ENFORCE THE FOREGOING WAIVER IN THE EVENT OF A LEGAL ACTION; (ii) SUCH PARTY HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER; (iii) SUCH PARTY MAKES THIS WAIVER VOLUNTARILY; AND (iv) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.10(c).

Section 8.11 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 8.12 Termination. Time is of the essence under this Agreement. Unless otherwise agreed to in writing, this Agreement may be terminated and the transactions contemplated by this Agreement may be abandoned at any time as follows: (i) by mutual written agreement of Seller and Buyer; (ii) by Buyer if any of the conditions set forth in **Section 2.05** of this Agreement shall not have been fulfilled on or prior to the Closing Date; (iii) by Seller if any of the conditions set forth in **Section 2.06** of this Agreement shall not have been fulfilled on or prior to the Closing Date; or (iv) by Buyer or Seller, provided the terminating party is not otherwise in breach hereof, if the Closing shall not have occurred on or before August 31, 2020.

Section 8.13 Rights on Termination; Waiver. If this Agreement is terminated pursuant to **Section 8.12** hereof, all further obligations of the parties under or pursuant to this Agreement shall terminate without further liability of any party to the others, provided that: (i) the obligations of Buyer under **Sections 6.01** and **8.01** shall survive any such termination; (ii) the obligations of Seller under **Section 8.01** shall survive any such termination; and (iii) each party to this Agreement shall retain any and all remedies which it may have for breach of contract provided by Law based on the other party's failure to comply with the terms of this Agreement. If any of the conditions set forth in **Section 2.05** of this Agreement have not been satisfied (except the receipt of the necessary approvals or permissions from Governmental Authorities with respect to the transactions contemplated in this Agreement), Buyer may nevertheless elect to proceed with the consummation of the transactions contemplated by this Agreement and, if any of the conditions set forth in **Section 2.06** of this Agreement have not been satisfied (except the receipt of the necessary approvals or permissions from Governmental Authorities with respect to the transactions contemplated in this Agreement), Seller may nevertheless elect to proceed with the consummation of the transactions contemplated by this Agreement.

Section 8.14 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

HONOR CAPITAL CORP.

By _____

Name: Steven B. Lapin

Title: President

BUYER:

UNIVERSAL FIDELITY LIFE
INSURANCE COMPANY

By _____

Name:

Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

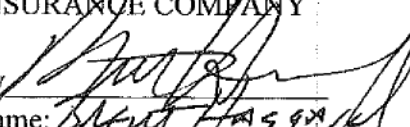
SELLER:

HONOR CAPITAL CORP.

By _____
Name:
Title:

BUYER:

UNIVERSAL FIDELITY LIFE
INSURANCE COMPANY

By 
Name: Brent Hassard
Title: CEO