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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**Form 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_ to \_\_\_\_

Commission File Number 001-31792

**CNO Financial Group, Inc.**

|  |                                 |
|--|---------------------------------|
| Delaware                                       | 75-3108137                      |
| State of incorporation                         | IRS Employer Identification No. |
| 11299 Illinois Street<br>Carmel, Indiana 46032 | (317) 817-6100                  |
| Address of principal executive offices         | Telephone                       |

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class  | Trading Symbol | Name of each exchange on which registered |
|--|----------------|---|
| Common Stock, par value \$0.01 per share                         | CNO            | New York Stock Exchange                   |
| Rights to purchase Series F Junior Participating Preferred Stock |                | New York Stock Exchange                   |
| 5.125% Subordinated Debentures due 2060                          | CNOpA          | New York Stock Exchange                   |

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes  No

Shares of common stock outstanding as of April 23, 2024: 108,259,664

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

| CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES   |                    |                      |
|--|--------------------|----------------------|
| CONSOLIDATED BALANCE SHEET   |                    |                      |
| (Dollars in millions)  |                    |                      |
| (unaudited)  |                    |                      |
| ASSETS   | March 31,<br>2024  | December 31,<br>2023 |
| <b>Investments:</b>  |                    |                      |
| Fixed maturities, available for sale, at fair value (net of allowance for credit losses: March 31, 2024 - \$39.0 and December 31, 2023 - \$42.9; amortized cost: March 31, 2024 - \$23,950.8 and December 31, 2023 - \$23,699.2) | \$ 21,648.1        | \$ 21,506.2          |
| Equity securities at fair value  | 118.4              | 96.9                 |
| Mortgage loans (net of allowance for credit losses: March 31, 2024 - \$ 16.6 and December 31, 2023 - \$15.4)   | 2,087.1            | 2,064.1              |
| Policy loans   | 130.3              | 128.5                |
| Trading securities   | 222.8              | 222.7                |
| Investments held by variable interest entities (net of allowance for credit losses: March 31, 2024 - \$4.3 and December 31, 2023 - \$3.1; amortized cost: March 31, 2024 - \$547.2 and December 31, 2023 - \$787.6)              | 533.4              | 768.6                |
| Other invested assets  | 1,471.3            | 1,353.4              |
| Total investments  | 26,211.4           | 26,140.4             |
| Cash and cash equivalents - unrestricted   | 566.3              | 774.5                |
| Cash and cash equivalents held by variable interest entities   | 83.5               | 114.5                |
| Accrued investment income  | 252.0              | 251.5                |
| Present value of future profits  | 175.5              | 180.7                |
| Deferred acquisition costs   | 1,992.3            | 1,944.4              |
| Reinsurance receivables (net of allowance for credit losses: March 31, 2024 - \$ 3.0 and December 31, 2023 - \$3.0)  | 3,969.0            | 4,040.7              |
| Market risk benefit asset  | 84.1               | 75.4                 |
| Income tax assets, net   | 886.1              | 936.2                |
| Assets held in separate accounts   | 3.3                | 3.1                  |
| Other assets   | 716.2              | 641.1                |
| <b>Total assets</b>  | <b>\$ 34,939.7</b> | <b>\$ 35,102.5</b>   |

(continued on next page)

The accompanying notes are an integral part  
of the consolidated financial statements.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEET, continued**  
(Dollars in millions)  
(unaudited)

| LIABILITIES AND SHAREHOLDERS' EQUITY   |                           |                           |
|--|---------------------------|---------------------------|
|  | March 31,<br>2024         | December 31,<br>2023      |
| <b>Liabilities:</b>  |                           |                           |
| Liabilities for insurance products:  |                           |                           |
| Policyholder account balances  | \$ 15,736.7               | \$ 15,667.8               |
| Future policy benefits   | 11,736.5                  | 11,928.2                  |
| Market risk benefit liability  | 3.8                       | 7.4                       |
| Liability for life insurance policy claims   | 65.1                      | 62.1                      |
| Unearned and advanced premiums   | 226.0                     | 218.9                     |
| Liabilities related to separate accounts   | 3.3                       | 3.1                       |
| Other liabilities  | 905.0                     | 848.8                     |
| Investment borrowings  | 2,189.1                   | 2,189.3                   |
| Borrowings related to variable interest entities   | 565.5                     | 820.8                     |
| Notes payable – direct corporate obligations   | 1,141.0                   | 1,140.5                   |
| <b>Total liabilities</b>   | <b><u>32,572.0</u></b>    | <b><u>32,886.9</u></b>    |
| Commitments and Contingencies  |                           |                           |
| Shareholders' equity:  |                           |                           |
| Common stock (\$0.01 par value, 8,000,000,000 shares authorized, shares issued and outstanding: March 31, 2024 – 108,568,594; December 31, 2023 – 109,357,540) | 1.1                       | 1.1                       |
| Additional paid-in capital   | 1,851.2                   | 1,891.5                   |
| Accumulated other comprehensive loss   | (1,480.3)                 | (1,576.8)                 |
| Retained earnings  | 1,995.7                   | 1,899.8                   |
| <b>Total shareholders' equity</b>  | <b><u>2,367.7</u></b>     | <b><u>2,215.6</u></b>     |
| <b>Total liabilities and shareholders' equity</b>  | <b><u>\$ 34,939.7</u></b> | <b><u>\$ 35,102.5</u></b> |

The accompanying notes are an integral part  
of the consolidated financial statements.

CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF OPERATIONS

(Dollars in millions, except per share data)

(unaudited)

|  | Three months ended     |                        |
|--|------------------------|------------------------|
|  | March 31,              |                        |
|  | 2024                   | 2023                   |
| <b>Revenues:</b>   |                        |                        |
| Insurance policy income  | \$ 628.4               | \$ 625.5               |
| Net investment income:   |                        |                        |
| General account assets   | 301.9                  | 292.2                  |
| Policyholder and other special-purpose portfolios                              | 167.3                  | 50.8                   |
| Investment gains (losses):   |                        |                        |
| Realized investment losses   | (10.0)                 | (14.6)                 |
| Other investment gains   | 17.8                   | —                      |
| Total investment gains (losses)  | <u>7.8</u>             | <u>(14.6)</u>          |
| Fee revenue and other income   | <u>51.1</u>            | <u>52.1</u>            |
| Total revenues   | <u><u>1,156.5</u></u>  | <u><u>1,006.0</u></u>  |
| <b>Benefits and expenses:</b>  |                        |                        |
| Insurance policy benefits  | 631.4                  | 609.7                  |
| Liability for future policy benefits remeasurement (gain) loss                 | (6.4)                  | .6                     |
| Change in fair value of market risk benefits                                   | (13.7)                 | 14.8                   |
| Interest expense   | 60.2                   | 54.7                   |
| Amortization of deferred acquisition costs and present value of future profits | 60.5                   | 55.5                   |
| Other operating costs and expenses   | <u>278.3</u>           | <u>271.7</u>           |
| Total benefits and expenses  | <u><u>1,010.3</u></u>  | <u><u>1,007.0</u></u>  |
| Income (loss) before income taxes  | 146.2                  | (1.0)                  |
| Income tax expense (benefit) on period income (loss)                           | <u>33.9</u>            | <u>(.2)</u>            |
| Net income (loss)  | <u><u>\$ 112.3</u></u> | <u><u>(\$ .8)</u></u>  |
| <b>Earnings per common share:</b>  |                        |                        |
| Basic:   |                        |                        |
| Weighted average shares outstanding  | <u>108,964,000</u>     | <u>114,545,000</u>     |
| Net income (loss)  | <u><u>\$ 1.03</u></u>  | <u><u>\$ (.01)</u></u> |
| Diluted:   |                        |                        |
| Weighted average shares outstanding  | <u>110,845,000</u>     | <u>114,545,000</u>     |
| Net income (loss)  | <u><u>\$ 1.01</u></u>  | <u><u>\$ (.01)</u></u> |

The accompanying notes are an integral part  
of the consolidated financial statements.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
(Dollars in millions)  
(unaudited)

| Three months ended | March 31, |      |
|--------------------|-----------|------|
|                    | 2024      | 2023 |

|   |                        |                        |
|---|------------------------|------------------------|
| Net income (loss)   | \$ 112.3               | \$ (.8)                |
| Other comprehensive income (loss), before tax:                                |                        |                        |
| Unrealized gains (losses) on investments                                      | (114.6)                | 626.1                  |
| Adjustment to discount rate for liability for future policy benefits          | 231.7                  | (263.3)                |
| Adjustment to instrument-specific credit risk for market risk benefits        | (1.4)                  | .9                     |
| Reclassification adjustments:   |                        |                        |
| For net realized investment losses included in net income (loss)              | 7.3                    | 10.9                   |
| Other comprehensive income before tax   | 123.0                  | 374.6                  |
| Income tax expense related to items of accumulated other comprehensive income | (26.5)                 | (81.7)                 |
| Other comprehensive income, net of tax  | 96.5                   | 292.9                  |
| Comprehensive income  | <u><u>\$ 208.8</u></u> | <u><u>\$ 292.1</u></u> |

The accompanying notes are an integral part  
of the consolidated financial statements.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**  
(Dollars in millions, shares in thousands)  
(unaudited)

|  | Common stock   |               | Additional<br>paid-in<br>capital | other<br>comprehensive<br>income (loss) | Accumulated<br>Retained<br>earnings | Total             |
|--|----------------|---------------|----------------------------------|---|-------------------------------------|-------------------|
|  | Shares         | Amount        |                                  |   |                                     |                   |
| Balance, December 31, 2022   | 114,343        | \$ 1.1        | \$ 2,033.8                       | \$ (1,957.3)                            | \$ 1,691.2                          | \$ 1,768.8        |
| Net loss   | —              | —             | —                                | —                                       | (8)                                 | (8)               |
| Other comprehensive<br>income, net of tax                                | —              | —             | —                                | 292.9                                   | —                                   | 292.9             |
| Common stock repurchased   | (633)          | —             | (15.1)                           | —                                       | —                                   | (15.1)            |
| Dividends on common stock  | —              | —             | —                                | —                                       | (16.4)                              | (16.4)            |
| Employee benefit plans, net<br>of shares used to pay tax<br>withholdings | 1,195          | —             | 2.4                              | —                                       | —                                   | 2.4               |
| Balance, March 31, 2023  | <u>114,905</u> | <u>\$ 1.1</u> | <u>\$ 2,021.1</u>                | <u>\$ (1,664.4)</u>                     | <u>\$ 1,674.0</u>                   | <u>\$ 2,031.8</u> |
| Balance, December 31, 2023   | 109,358        | \$ 1.1        | \$ 1,891.5                       | \$ (1,576.8)                            | \$ 1,899.8                          | \$ 2,215.6        |
| Net income   | —              | —             | —                                | —                                       | 112.3                               | 112.3             |
| Other comprehensive<br>income, net of tax                                | —              | —             | —                                | 96.5                                    | —                                   | 96.5              |
| Common stock repurchased   | (1,483)        | —             | (40.0)                           | —                                       | —                                   | (40.0)            |
| Dividends on common stock  | —              | —             | —                                | —                                       | (16.4)                              | (16.4)            |
| Employee benefit plans, net<br>of shares used to pay tax<br>withholdings | 694            | —             | (3)                              | —                                       | —                                   | (3)               |
| Balance, March 31, 2024  | <u>108,569</u> | <u>\$ 1.1</u> | <u>\$ 1,851.2</u>                | <u>\$ (1,480.3)</u>                     | <u>\$ 1,995.7</u>                   | <u>\$ 2,367.7</u> |

The accompanying notes are an integral part  
of the consolidated financial statements.

## CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CASH FLOWS

(Dollars in millions)

(unaudited)

|  | Three months ended |                 |
|--|--------------------|-----------------|
|  | March 31,          |                 |
|  | 2024               | 2023            |
| <b>Cash flows from operating activities:</b>   |                    |                 |
| Insurance policy income  | \$ 582.1           | \$ 582.2        |
| Net investment income  | 334.4              | 315.0           |
| Fee revenue and other income   | 53.6               | 50.4            |
| Insurance policy benefits  | (408.0)            | (410.9)         |
| Interest expense   | (50.4)             | (38.6)          |
| Deferrable policy acquisition costs  | (103.2)            | (89.8)          |
| Other operating costs  | (303.8)            | (320.2)         |
| Income taxes   | (10.1)             | (6.2)           |
| <b>Net cash from operating activities</b>  | <b>94.6</b>        | <b>81.9</b>     |
| <b>Cash flows from investing activities:</b>   |                    |                 |
| Sales of investments   | 671.0              | 486.5           |
| Maturities and redemptions of investments  | 368.3              | 276.8           |
| Purchases of investments   | (1,064.7)          | (1,147.7)       |
| Net sales (purchases) of trading securities  | 4.3                | (8.4)           |
| Other  | (2.5)              | (13.9)          |
| <b>Net cash used by investing activities</b>   | <b>(23.6)</b>      | <b>(406.7)</b>  |
| <b>Cash flows from financing activities:</b>   |                    |                 |
| Issuance of common stock   | 2.8                | 8.1             |
| Payments to repurchase common stock  | (58.8)             | (25.8)          |
| Common stock dividends paid  | (17.3)             | (17.1)          |
| Payments on financing arrangements   | (3.5)              | —               |
| Amounts received for deposit products  | 523.9              | 498.3           |
| Withdrawals from deposit products  | (505.5)            | (422.1)         |
| Issuance of investment borrowings:   |                    |                 |
| Federal Home Loan Bank   | 222.0              | 620.5           |
| Payments on investment borrowings:   |                    |                 |
| Federal Home Loan Bank   | (222.1)            | (420.4)         |
| Related to variable interest entities  | (251.7)            | (39.5)          |
| <b>Net cash provided (used) by financing activities</b>  | <b>(310.2)</b>     | <b>202.0</b>    |
| Net decrease in cash and cash equivalents  | (239.2)            | (122.8)         |
| Cash and cash equivalents - unrestricted and held by variable interest entities, beginning of period | 889.0              | 644.9           |
| Cash and cash equivalents - unrestricted and held by variable interest entities, end of period       | <b>\$ 649.8</b>    | <b>\$ 522.1</b> |

The accompanying notes are an integral part  
of the consolidated financial statements.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
Notes to Consolidated Financial Statements  
(unaudited)

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**BUSINESS AND BASIS OF PRESENTATION**

CNO Financial Group, Inc., a Delaware corporation ("CNO"), is a holding company for a group of insurance companies that develop, market and administer health insurance, annuity, individual life insurance and other insurance products. The terms "CNO Financial Group, Inc.", "CNO", the "Company", "we", "us", and "our" as used in these financial statements refer to CNO and its subsidiaries. Such terms, when used to describe insurance business and products, refer to the insurance business and products of CNO's insurance subsidiaries.

We focus on serving middle-income pre-retiree and retired Americans, which we believe are attractive, underserved, high growth markets. We sell our products through exclusive agents, independent producers (some of whom sell one or more of our product lines exclusively) and direct marketing.

Our unaudited consolidated financial statements reflect normal recurring adjustments that, in the opinion of management, are necessary for a fair statement of our financial position, results of operations and cash flows for the periods presented. As permitted by rules and regulations of the Securities and Exchange Commission (the "SEC") applicable to quarterly reports on Form 10-Q, we have condensed or omitted certain information and disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Results for interim periods are not necessarily indicative of the results that may be expected for a full year.

The December 31, 2023 consolidated balance sheet data was derived from the audited consolidated financial statements included in our 2023 Annual Report on Form 10-K. Accordingly, these interim consolidated financial statements should be read together with the consolidated financial statements included in our 2023 Annual Report on Form 10-K.

When we prepare financial statements in conformity with GAAP, we are required to make estimates and assumptions that significantly affect reported amounts of various assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reporting periods. For example, we use significant estimates and assumptions to calculate values for deferred acquisition costs, the present value of future profits, fair value measurements of certain investments (including derivatives), allowance for credit losses and other-than-temporary impairments of investments, assets and liabilities related to income taxes, liabilities for insurance products, liabilities related to litigation and guaranty fund assessment accruals. If our future experience differs from these estimates and assumptions, our financial statements could be materially affected.

The accompanying financial statements are unaudited and include the accounts of the Company and its subsidiaries. Our consolidated financial statements exclude transactions between us and our consolidated affiliates, or among our consolidated affiliates.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
Notes to Consolidated Financial Statements  
(unaudited)

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**RECENTLY ISSUED ACCOUNTING STANDARDS**

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update 2023-07 Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures ("ASU 2023-07"). ASU 2023-07 is intended to improve reportable segment disclosure requirements primarily through enhanced disclosures about significant segment expenses. Such requirements include: (i) disclosures on significant segment expenses that are regularly provided to the chief operating decision maker ("CODM") and included within each reported measure of segment profit or loss on an annual and interim basis; (ii) disclosures of an amount for other segment items by reportable segment and a description of its composition on an annual and interim basis (the other segment items category is the difference between segment revenues less the segment expenses disclosed pursuant to the new guidance); (iii) providing all annual disclosures on a reportable segment's profit or loss and assets currently required by FASB ASC Topic 280, Segment Reporting in interim periods; and (iv) specifying the title and position of the CODM and an explanation of how the CODM uses the reported measures to assess segment performance and make decisions about allocating resources. ASU 2023-07 is effective for annual periods beginning January 1, 2024 and interim periods beginning January 1, 2025, to be applied on a retrospective basis (with early adoption permitted). The adoption of ASU 2023-07 will expand our disclosures but will not have an impact on our financial position or results of operations.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
Notes to Consolidated Financial Statements  
(unaudited)

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**INVESTMENTS**

We classify our *fixed maturity securities* into one of two categories: (i) "available for sale" (which we carry at estimated fair value with any unrealized gain or loss, net of tax and related adjustments, recorded as a component of shareholders' equity); or (ii) "trading" (which we carry at estimated fair value with changes in such value recognized as either net investment income (classified as investment income from policyholder and other special-purpose portfolios) or investment gains (losses)).

Trading securities include: (i) investments purchased with the intent of selling in the near term to generate income; and (ii) certain fixed maturity securities containing embedded derivatives for which we have elected the fair value option. The change in fair value of the income generating investments is recognized in income from policyholder and other special-purpose portfolios (a component of net investment income). The change in fair value of securities with embedded derivatives is recognized in other investment gains (losses).

We review our available for sale fixed maturity securities with unrealized losses to determine whether such impairments are the result of credit losses. We analyze various factors to make such determinations including, but not limited to: (i) actions taken by rating agencies; (ii) default by the issuer; (iii) the significance of the decline; (iv) an assessment of our intent to sell the security before recovering the security's amortized cost; (v) an economic analysis of the issuer's industry; and (vi) the financial strength, liquidity, and recoverability of the issuer. We perform a security by security review each quarter to evaluate whether a credit loss has occurred.

In determining the credit loss component, we discount the estimated cash flows on a security by security basis. We consider the impact of macroeconomic conditions on inputs used to measure the amount of credit loss. For most structured securities, cash flow estimates are based on bond-specific facts and circumstances that may include collateral characteristics, expectations of delinquency and default rates, loss severity, prepayment speeds and structural support, including overcollateralization, excess spread, subordination and guarantees. For corporate bonds, cash flow estimates are derived by considering asset type, rating, time to maturity, and applying an expected loss rate.

If a portion of the decline is due to credit-related factors, we separate the credit loss component of the impairment from the amount related to all other factors. The credit loss component is recorded as an allowance and reported in other investment gains (losses) (limited to the difference between estimated fair value and amortized cost). The impairment related to all other factors (non-credit factors) is reported in accumulated other comprehensive income (loss) along with unrealized gains (losses) related to fixed maturity investments, available for sale, net of tax and related adjustments. The allowance is adjusted for any additional credit losses and subsequent recoveries. When recognizing an allowance associated with a credit loss, the cost basis is not adjusted. When we determine a security is uncollectable, the remaining amortized cost will be written off.

If we intend to sell an impaired fixed maturity security, available for sale, or identify an impaired fixed maturity security, available for sale, for which it is more likely than not we will be required to sell before anticipated recovery, the difference between the fair value and the amortized cost is included in other investment gains (losses) and the fair value becomes the new amortized cost. The new cost basis is not adjusted for any subsequent recoveries in fair value.

The Company reports accrued investment income separately from fixed maturities, available for sale, and has elected not to measure an allowance for credit losses for accrued investment income. Accrued investment income is written off through net investment income at the time the issuer of the bond defaults or is expected to default on payments.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
 Notes to Consolidated Financial Statements  
 (unaudited)

At March 31, 2024, the amortized cost, gross unrealized gains, gross unrealized losses, allowance for credit losses and estimated fair value of fixed maturities, available for sale, were as follows (dollars in millions):

|   | Amortized<br>cost         | Gross<br>unrealized<br>gains | Gross<br>unrealized<br>losses | Allowance<br>for credit<br>losses | Estimated fair<br>value   |
|---|---------------------------|------------------------------|-------------------------------|-----------------------------------|---------------------------|
| Corporate securities  | \$ 13,132.7               | \$ 50.5                      | \$ (1,506.6)                  | \$ (37.7)                         | \$ 11,638.9               |
| United States Treasury securities and obligations of United States government corporations and agencies | 232.8                     | —                            | (18.4)                        | —                                 | 214.4                     |
| States and political subdivisions   | 3,054.5                   | 26.4                         | (376.9)                       | (.6)                              | 2,703.4                   |
| Foreign governments   | 94.8                      | .6                           | (12.5)                        | (.6)                              | 82.3                      |
| Asset-backed securities   | 1,546.1                   | 3.3                          | (95.4)                        | (.1)                              | 1,453.9                   |
| Agency residential mortgage-backed securities   | 683.3                     | 6.7                          | (2.3)                         | —                                 | 687.7                     |
| Non-agency residential mortgage-backed securities   | 1,670.4                   | 33.6                         | (144.2)                       | —                                 | 1,559.8                   |
| Collateralized loan obligations   | 1,151.0                   | 4.6                          | (10.0)                        | —                                 | 1,145.6                   |
| Commercial mortgage-backed securities   | 2,385.2                   | 1.8                          | (224.9)                       | —                                 | 2,162.1                   |
| Total fixed maturities, available for sale  | <u><u>\$ 23,950.8</u></u> | <u><u>\$ 127.5</u></u>       | <u><u>\$ (2,391.2)</u></u>    | <u><u>\$ (39.0)</u></u>           | <u><u>\$ 21,648.1</u></u> |

At December 31, 2023, the amortized cost, gross unrealized gains, gross unrealized losses, allowance for credit losses and estimated fair value of fixed maturities, available for sale, were as follows (dollars in millions):

|   | Amortized<br>cost         | Gross<br>unrealized<br>gains | Gross<br>unrealized<br>losses | Allowance for<br>credit losses | Estimated<br>fair value   |
|---|---------------------------|------------------------------|-------------------------------|--------------------------------|---------------------------|
| Corporate securities  | \$ 13,186.9               | \$ 74.7                      | \$ (1,382.4)                  | \$ (41.7)                      | \$ 11,837.5               |
| United States Treasury securities and obligations of United States government corporations and agencies | 207.6                     | .1                           | (13.3)                        | —                              | 194.4                     |
| States and political subdivisions   | 2,896.8                   | 31.3                         | (360.7)                       | (.7)                           | 2,566.7                   |
| Foreign governments   | 92.7                      | 1.2                          | (10.4)                        | (.4)                           | 83.1                      |
| Asset-backed securities   | 1,476.2                   | 4.1                          | (107.8)                       | (.1)                           | 1,372.4                   |
| Agency residential mortgage-backed securities   | 639.0                     | 9.5                          | (.5)                          | —                              | 648.0                     |
| Non-agency residential mortgage-backed securities   | 1,670.1                   | 35.8                         | (152.7)                       | —                              | 1,553.2                   |
| Collateralized loan obligations   | 1,042.5                   | 3.3                          | (13.0)                        | —                              | 1,032.8                   |
| Commercial mortgage-backed securities   | 2,487.4                   | .7                           | (270.0)                       | —                              | 2,218.1                   |
| Total fixed maturities, available for sale  | <u><u>\$ 23,699.2</u></u> | <u><u>\$ 160.7</u></u>       | <u><u>\$ (2,310.8)</u></u>    | <u><u>\$ (42.9)</u></u>        | <u><u>\$ 21,506.2</u></u> |

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The following table sets forth the amortized cost and estimated fair value of fixed maturities, available for sale, at March 31, 2024, by contractual maturity. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties. Structured securities (such as asset-backed securities, agency residential mortgage-backed securities, non-agency residential mortgage-backed securities, collateralized loan obligations and commercial mortgage-backed securities, collectively referred to as "structured securities") frequently include provisions for periodic principal payments and permit periodic unscheduled payments.

|   | Amortized<br>cost  | Estimated<br>fair<br>value |
|---|--------------------|----------------------------|
| (Dollars in millions)                             |                    |                            |
| Due in one year or less                           | \$ 324.8           | \$ 314.6                   |
| Due after one year through five years             | 2,278.8            | 2,175.7                    |
| Due after five years through ten years            | 1,529.8            | 1,450.2                    |
| Due after ten years                               | <u>12,381.4</u>    | <u>10,698.5</u>            |
| Subtotal  | 16,514.8           | 14,639.0                   |
| Structured securities                             | 7,436.0            | 7,009.1                    |
| <b>Total fixed maturities, available for sale</b> | <b>\$ 23,950.8</b> | <b>\$ 21,648.1</b>         |

*Gross Unrealized Investment Losses*

Our investment strategy is to maximize, over a sustained period and within acceptable parameters of quality and risk, investment income and total investment return through active strategic asset allocation and investment management. Accordingly, we may sell securities at a gain or a loss to enhance the projected total return of the portfolio as market opportunities change, to reflect changing perceptions of risk, or to better match certain characteristics of our investment portfolio with the corresponding characteristics of our insurance liabilities.

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
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The following table summarizes the gross unrealized losses and fair values of our investments with unrealized losses for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that such securities have been in a continuous unrealized loss position, at March 31, 2024 (dollars in millions):

| Description of securities   | Less than 12 months |                   | 12 months or greater |                   | Total       |                   |
|---|---------------------|-------------------|----------------------|-------------------|-------------|-------------------|
|   | Fair value          | Unrealized losses | Fair value           | Unrealized losses | Fair value  | Unrealized losses |
| Corporate securities  | \$ 508.6            | \$ (7.4)          | \$ 5,339.7           | \$ (719.3)        | \$ 5,848.3  | \$ (726.7)        |
| United States Treasury securities and obligations of United States government corporations and agencies | 72.9                | (3.3)             | 119.0                | (15.1)            | 191.9       | (18.4)            |
| States and political subdivisions   | 272.4               | (4.0)             | 959.2                | (166.4)           | 1,231.6     | (170.4)           |
| Foreign governments   | 12.0                | (.5)              | 18.2                 | (1.1)             | 30.2        | (1.6)             |
| Asset-backed securities   | 110.5               | (.8)              | 1,064.1              | (93.7)            | 1,174.6     | (94.5)            |
| Agency residential mortgage-backed securities   | 249.8               | (1.9)             | 11.5                 | (.4)              | 261.3       | (2.3)             |
| Non-agency residential mortgage-backed securities   | 117.7               | (.9)              | 1,064.4              | (143.3)           | 1,182.1     | (144.2)           |
| Collateralized loan obligations   | 233.1               | (1.9)             | 334.2                | (8.1)             | 567.3       | (10.0)            |
| Commercial mortgage-backed securities   | 96.3                | (.6)              | 1,851.1              | (224.3)           | 1,947.4     | (224.9)           |
| Total fixed maturities, available for sale  | \$ 1,673.3          | \$ (21.3)         | \$ 10,761.4          | \$ (1,371.7)      | \$ 12,434.7 | \$ (1,393.0)      |

The following table summarizes the gross unrealized losses and fair values of our investments with unrealized losses for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that such securities have been in a continuous unrealized loss position, at December 31, 2023 (dollars in millions):

| Description of securities   | Less than 12 months |                   | 12 months or greater |                   | Total       |                   |
|---|---------------------|-------------------|----------------------|-------------------|-------------|-------------------|
|   | Fair value          | Unrealized losses | Fair value           | Unrealized losses | Fair value  | Unrealized losses |
| Corporate securities  | \$ 332.0            | \$ (5.3)          | \$ 5,199.0           | \$ (640.6)        | \$ 5,531.0  | \$ (645.9)        |
| United States Treasury securities and obligations of United States government corporations and agencies | 126.7               | (10.2)            | 34.5                 | (3.1)             | 161.2       | (13.3)            |
| States and political subdivisions   | 236.9               | (3.8)             | 990.0                | (181.2)           | 1,226.9     | (185.0)           |
| Foreign governments   | 6.2                 | —                 | 21.1                 | (2.3)             | 27.3        | (2.3)             |
| Asset-backed securities   | 46.9                | (.8)              | 1,066.8              | (106.0)           | 1,113.7     | (106.8)           |
| Agency residential mortgage-backed securities   | 73.4                | (.4)              | 7.1                  | (.1)              | 80.5        | (.5)              |
| Non-agency residential mortgage-backed securities   | 69.0                | (1.3)             | 1,062.9              | (151.4)           | 1,131.9     | (152.7)           |
| Collateralized loan obligations   | 75.0                | (.3)              | 590.9                | (12.7)            | 665.9       | (13.0)            |
| Commercial mortgage-backed securities   | 203.8               | (2.4)             | 1,914.1              | (267.6)           | 2,117.9     | (270.0)           |
| Total fixed maturities, available for sale  | \$ 1,169.9          | \$ (24.5)         | \$ 10,886.4          | \$ (1,365.0)      | \$ 12,056.3 | \$ (1,389.5)      |

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Based on management's current assessment of investments with unrealized losses at March 31, 2024, the Company believes the issuers of the securities will continue to meet their obligations. While we do not have the intent to sell securities with unrealized losses and it is not more likely than not that we will be required to sell securities with unrealized losses prior to their anticipated recovery, our intent on an individual security may change, based upon market or other unforeseen developments. In such instances, if a loss is recognized from a sale subsequent to a balance sheet date due to these unexpected developments, the loss is recognized in the period in which we had the intent to sell the security before its anticipated recovery.

The following table summarizes changes in the allowance for credit losses related to fixed maturities, available for sale, for the three months ended March 31, 2024 (dollars in millions):

|  | Corporate securities | States and political subdivisions | Foreign governments | Asset-backed securities | Total   |
|--|----------------------|-----------------------------------|---------------------|-------------------------|---------|
| Allowance at December 31, 2023   | \$ 41.7              | \$ .7                             | \$ .4               | \$ .1                   | \$ 42.9 |
| Additions for securities for which credit losses were not previously recorded    | 2.2                  | (1)                               | .1                  | —                       | 2.2     |
| Additions (reductions) for securities where an allowance was previously recorded | (6.1)                | —                                 | .1                  | —                       | (6.0)   |
| Reduction for securities sold during the period                                  | (.1)                 | —                                 | —                   | —                       | (.1)    |
| Allowance at March 31, 2024  | \$ 37.7              | \$ .6                             | \$ .6               | \$ .1                   | \$ 39.0 |

The following table summarizes changes in the allowance for credit losses related to fixed maturities, available for sale, for the three months ended March 31, 2023 (dollars in millions):

|  | Corporate securities | States and political subdivisions | Foreign governments | Asset-backed securities | Total   |
|--|----------------------|-----------------------------------|---------------------|-------------------------|---------|
| Allowance at December 31, 2022   | \$ 54.4              | \$ .9                             | \$ .4               | \$ .3                   | \$ 56.0 |
| Additions for securities for which credit losses were not previously recorded    | 3.0                  | —                                 | —                   | —                       | 3.0     |
| Additions (reductions) for securities where an allowance was previously recorded | .5                   | (.1)                              | .1                  | .3                      | .8      |
| Reduction for securities sold during the period                                  | (.7)                 | —                                 | —                   | —                       | (.7)    |
| Allowance at March 31, 2023  | \$ 57.2              | \$ .8                             | \$ .5               | \$ .6                   | \$ 59.1 |

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*Mortgage Loans*

Mortgage loans are carried at amortized unpaid balance, net of allowance for estimated credit losses. Interest income is accrued on the principal amount of the loan based on the loan's contractual interest rate. Payment terms specified for mortgage loans may include a prepayment penalty for unscheduled payoff of the investment. Prepayment penalties are recognized as investment income when received.

The allowance for estimated credit losses is measured using a loss-rate method on an individual asset basis. Inputs used include asset-specific characteristics, current economic conditions, historical loss information and reasonable and supportable forecasts about future economic conditions.

The mortgage loan balance was comprised of commercial and residential mortgage loans. At March 31, 2024, we held commercial mortgage loan investments with an amortized cost and fair value of \$1,461.7 million and \$1,290.5 million, respectively. At March 31, 2024, there was one commercial mortgage loan with an amortized cost of \$ 17.3 million that was noncurrent. There were no commercial mortgage loans in foreclosure.

At March 31, 2024, we held residential mortgage loan investments with an amortized cost and fair value of \$ 642.0 million and \$640.3 million, respectively. At March 31, 2024, there were seventeen residential mortgage loans that were noncurrent with an amortized cost of \$9.4 million (of which, eleven loans with an amortized cost of \$4.2 million were in foreclosure).

The following table provides the amortized cost by year of origination and estimated fair value of our outstanding commercial mortgage loans and the underlying collateral as of March 31, 2024 (dollars in millions):

| Loan-to-value<br>ratio (a) | Estimated fair<br>value |                 |                 |                 |                |                 |                            |                   |                   |
|----------------------------|-------------------------|-----------------|-----------------|-----------------|----------------|-----------------|----------------------------|-------------------|-------------------|
|                            | 2024                    | 2023            | 2022            | 2021            | 2020           | Prior           | Total<br>amortized<br>cost | Mortgage<br>loans | Collateral        |
| Less than 60%              | \$ 12.8                 | \$ 160.7        | \$ 160.8        | \$ 96.2         | \$ 33.2        | \$ 525.5        | \$ 989.2                   | \$ 877.8          | \$ 3,675.3        |
| 60% to less<br>than 70%    | —                       | 126.9           | 47.4            | 29.2            | 5.5            | 18.6            | 227.6                      | 208.3             | 348.7             |
| 70% to less<br>than 80%    | —                       | 19.3            | 54.7            | 24.9            | —              | 49.7            | 148.6                      | 127.2             | 201.0             |
| 80% to less<br>than 90%    | —                       | —               | 47.8            | —               | —              | 48.5            | 96.3                       | 77.2              | 113.8             |
| <b>Total</b>               | <b>\$ 12.8</b>          | <b>\$ 306.9</b> | <b>\$ 310.7</b> | <b>\$ 150.3</b> | <b>\$ 38.7</b> | <b>\$ 642.3</b> | <b>\$ 1,461.7</b>          | <b>\$ 1,290.5</b> | <b>\$ 4,338.8</b> |

(a) Loan-to-value ratios are calculated as the ratio of: (i) the amortized cost of the commercial mortgage loans; to (ii) the estimated fair value of the underlying collateral.

The following table summarizes changes in the allowance for credit losses related to mortgage loans for the three months ended March 31, 2024 and 2023 (dollars in millions):

|   | Three months ended |               |
|---|--------------------|---------------|
|   | March 31,          |               |
|   | 2024               | 2023          |
| Allowance at the beginning of the period            | \$ 15.4            | \$ 8.0        |
| Current period provision for expected credit losses | 1.2                | .4            |
| <b>Allowance at the end of the period</b>           | <b>\$ 16.6</b>     | <b>\$ 8.4</b> |

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**Total Investment Gains (Losses)**

The following table sets forth the total investment gains (losses) for the periods indicated (dollars in millions):

|  | Three months ended |                  |
|--|--------------------|------------------|
|  | March 31,          | 2023             |
|  | 2024               | 2023             |
| <b>Realized investment gains (losses):</b>                             |                    |                  |
| Gross realized gains on sales of fixed maturities, available for sale  | \$ 2.1             | \$ 7.3           |
| Gross realized losses on sales of fixed maturities, available for sale | (5.9)              | (14.4)           |
| Equity securities, net   | —                  | (2)              |
| Other, net   | (6.2)              | (7.3)            |
| <b>Total realized investment losses</b>                                | <b>(10.0)</b>      | <b>(14.6)</b>    |
| Change in allowance for credit losses (a)                              | 1.5                | (1.5)            |
| Change in fair value of equity securities (b)                          | .9                 | .4               |
| Other changes in fair value (c)  | 11.6               | 1.1              |
| Gain on liquidation of variable interest entity                        | 3.8                | —                |
| Other investment gains   | 17.8               | —                |
| <b>Total investment gains (losses)</b>                                 | <b>\$ 7.8</b>      | <b>\$ (14.6)</b> |

(a) Changes in the allowance for credit losses includes \$( 1.2) million and \$2.0 million in the three months ended March 31, 2024 and 2023, respectively, related to investments held by variable interest entities ("VIEs").  
 (b) Changes in the estimated fair value of equity securities (that are still held as of the end of the respective periods) were \$ 1.0 million and \$0.3 million for the three months ended March 31, 2024 and 2023, respectively.  
 (c) Changes in the estimated fair value of trading securities that we have elected the fair value option (that are still held as of the end of the respective periods) were \$ 4.8 million and \$(2.5) million in the three months ended March 31, 2024 and 2023, respectively.

During the first three months of 2024, we recognized net investment gains of \$ 7.8 million, which were comprised of: (i) \$10.0 million of net losses from the sales of investments; (ii) \$ 0.9 million of gains related to equity securities, including the change in fair value; (iii) \$11.3 million of gains related to certain other invested assets and fixed maturity investments with embedded derivatives, including the change in fair value; (iv) the increase in fair value of embedded derivatives related to a modified coinsurance agreement of \$0.3 million; (v) \$3.8 million of gains related to the liquidation of a VIE; and (vi) a decrease in the allowance for credit losses of \$ 1.5 million.

During the first three months of 2023, we recognized net investment losses of \$ 14.6 million, which were comprised of: (i) \$14.4 million of net losses from the sales of investments; (ii) \$ 0.2 million of gains related to equity securities, including the change in fair value; (iii) the decrease in fair value of certain other invested assets and fixed maturity investments with embedded derivatives of \$0.3 million; (iv) the increase in fair value of embedded derivatives related to a modified coinsurance agreement of \$1.4 million; and (v) an increase in the allowance for credit losses of \$ 1.5 million.

Our fixed maturity investments are generally purchased in the context of various long-term strategies, including funding insurance liabilities, so we do not generally seek to generate short-term realized gains through the purchase and sale of such securities. In certain circumstances, including those in which securities are selling at prices which exceed our view of their underlying economic value, or when it is possible to reinvest the proceeds to better meet our long-term asset-liability objectives, we may sell certain securities.

At March 31, 2024, there were no fixed maturity investments in default.

During the first three months of 2024, the \$ 5.9 million of gross realized losses on sales of \$ 197.1 million of fixed maturity securities, available for sale, included: (i) \$ 3.5 million related to various corporate securities; (ii) \$ 1.1 million related

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to commercial mortgage-backed securities; and (iii) \$1.3 million related to various other investments. Securities are generally sold at a loss following unforeseen issuer-specific events or conditions or shifts in perceived relative values. These reasons include but are not limited to: (i) changes in the investment environment; (ii) expectation that the market value could deteriorate; (iii) our desire to reduce our exposure to an asset class, an issuer or an industry; (iv) prospective or actual changes in credit quality; (v) better match certain characteristics of our investment portfolio with the corresponding characteristics of our insurance liabilities; or (vi) changes in expected portfolio cash flows.

During the first three months of 2023, the \$ 14.4 million of gross realized losses on sales of \$ 288.5 million of fixed maturity securities, available for sale, included: (i) \$ 11.1 million related to various corporate securities; (ii) \$ 2.2 million related to commercial mortgage-backed securities; and (iii) \$1.1 million related to various other investments.

Future events may occur, or additional information may become available, which may necessitate future realized losses in our portfolio. Significant losses could have a material adverse effect on our consolidated financial statements in future periods.

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**LIABILITIES FOR INSURANCE PRODUCTS**

The liability for future policy benefits is determined based on numerous assumptions. The most significant assumptions for our life and annuity business are mortality and lapse/withdrawal rates which are based on our experience and, in cases of limited experience, industry experience. Mortality and lapse/withdrawal rates also take into consideration future expectations in policyholder behavior that may vary from past experience. For our health business, mortality rates, lapse rates, morbidity assumptions and future rate increases are based on our experience and, in cases of limited experience, industry experience. Such assumptions also consider future expectations in policyholder behavior that may vary from past experience.

In the first three months of 2024, we reviewed the actual mortality, lapse, and morbidity experience and determined that no changes to assumptions for future cash flows were necessary. This is consistent with the impact in the "Effect of actual variances from expected experience" line items in the tables below, which indicate our actual experience did not deviate significantly from our expectations.

The following tables summarize balances and changes in the liability for future policy benefits for traditional and limited-payment contracts for the three months ended March 31, 2024 (dollars in millions):

|  | Three months ended<br>March 31, 2024 |                        |                   |                   |                    |
|--|--------------------------------------|------------------------|-------------------|-------------------|--------------------|
|  | Supplemental<br>health               | Medicare<br>supplement | Long-term care    | Traditional life  | Other<br>annuities |
| Present value of expected net premiums ("PVENP"), beginning of period            | \$ 2,718.2                           | \$ 3,009.2             | \$ 1,055.6        | \$ 2,279.6        | \$ —               |
| Effect of changes in discount rate assumptions, beginning of period              | 86.8                                 | 99.1                   | (7.6)             | 67.6              | —                  |
| Beginning PVENP at original discount rate  | 2,805.0                              | 3,108.3                | 1,048.0           | 2,347.2           | —                  |
| Effect of changes in cash flow assumptions                                       | —                                    | —                      | —                 | —                 | —                  |
| Effect of actual variances from expected experience                              | (15.2)                               | (39.0)                 | (7.9)             | (21.2)            | —                  |
| Adjusted beginning of period PVENP   | 2,789.8                              | 3,069.3                | 1,040.1           | 2,326.0           | —                  |
| Issuances  | 66.0                                 | 134.2                  | 46.9              | 108.2             | .9                 |
| Interest accrual   | 30.7                                 | 32.2                   | 12.9              | 24.3              | —                  |
| Net premiums collected   | (86.9)                               | (114.4)                | (39.5)            | (99.9)            | (9)                |
| Ending PVENP at original discount rate   | 2,799.6                              | 3,121.3                | 1,060.4           | 2,358.6           | —                  |
| Effect of changes in discount rate assumptions, end of period                    | (139.1)                              | (145.5)                | (11.5)            | (102.0)           | —                  |
| PVENP, end of period   | <u>\$ 2,660.5</u>                    | <u>\$ 2,975.8</u>      | <u>\$ 1,048.9</u> | <u>\$ 2,256.6</u> | <u>\$ —</u>        |
| Present value of expected future policy benefits ("PVEFPB"), beginning of period | \$ 6,023.3                           | \$ 3,236.6             | \$ 4,364.6        | \$ 4,694.7        | \$ 308.9           |
| Effect of changes in discount rate assumptions, beginning of period              | 229.8                                | 108.3                  | (132.8)           | 170.9             | 3.0                |
| Beginning PVEFPB at original discount rate                                       | 6,253.1                              | 3,344.9                | 4,231.8           | 4,865.6           | 311.9              |
| Effect of changes in cash flow assumptions                                       | —                                    | —                      | —                 | —                 | —                  |
| Effect of actual variances from expected experience                              | (17.7)                               | (39.1)                 | (12.1)            | (22.0)            | .8                 |
| Adjusted beginning of period PVEFPB  | 6,235.4                              | 3,305.8                | 4,219.7           | 4,843.6           | 312.7              |
| Issuances  | 66.0                                 | 134.2                  | 47.0              | 108.2             | .9                 |
| Interest accrual   | 72.6                                 | 34.9                   | 56.7              | 52.8              | 3.6                |
| Benefit payments   | (105.6)                              | (117.8)                | (74.2)            | (120.7)           | (8.2)              |
| Ending PVEFPB at original discount rate  | 6,268.4                              | 3,357.1                | 4,249.2           | 4,883.9           | 309.0              |
| Effect of changes in discount rate assumptions, end of period                    | (371.4)                              | (158.4)                | 25.5              | (263.8)           | (10.1)             |
| PVEFPB, end of period  | <u>\$ 5,897.0</u>                    | <u>\$ 3,198.7</u>      | <u>\$ 4,274.7</u> | <u>\$ 4,620.1</u> | <u>\$ 298.9</u>    |

|  |            |          |            |            |          |
|--|------------|----------|------------|------------|----------|
| Net<br>liability for future<br>policy benefits                                       | \$ 3,236.5 | \$ 222.9 | \$ 3,225.8 | \$ 2,363.5 | \$ 298.9 |
| Flooring<br>impact   | —          | .8       | —          | —          | —        |
| Adjusted<br>net liability for<br>future policy<br>benefits                           | 3,236.5    | 223.7    | 3,225.8    | 2,363.5    | 298.9    |
| Related<br>reinsurance<br>recoverable  | (1.5)      | —        | (360.8)    | (187.3)    | —        |
| Net<br>liability for future<br>policy benefits,<br>net of reinsurance<br>recoverable | \$ 3,235.0 | \$ 223.7 | \$ 2,865.0 | \$ 2,176.2 | \$ 298.9 |

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The following tables summarize balances and changes in the liability for future policy benefits for traditional and limited-payment contracts for the three months ended March 31, 2023 (dollars in millions):

| Three months ended<br>March 31, 2023  |                        |                        |                   |                   |                    |  |
|---|------------------------|------------------------|-------------------|-------------------|--------------------|--|
|   | Supplemental<br>health | Medicare<br>supplement | Long-term care    | Traditional life  | Other<br>annuities |  |
| PVENP,<br>beginning of period   | \$ 2,781.3             | \$ 2,800.6             | \$ 1,034.1        | \$ 2,175.0        | \$ —               |  |
| Effect of<br>changes in<br>discount rate<br>assumptions,<br>beginning of period | 188.4                  | 196.4                  | 23.2              | 137.1             | —                  |  |
| Beginning<br>PVENP at original<br>discount rate                                 | 2,969.7                | 2,997.0                | 1,057.3           | 2,312.1           | —                  |  |
| Effect of<br>changes in cash<br>flow assumptions                                | —                      | —                      | —                 | —                 | —                  |  |
| Effect of<br>actual variances<br>from expected<br>experience                    | (17.2)                 | 27.0                   | (3.4)             | (14.1)            | —                  |  |
| Adjusted<br>beginning of period   | 2,952.5                | 3,024.0                | 1,053.9           | 2,298.0           | —                  |  |
| Issuances   | 63.7                   | 101.6                  | 15.7              | 108.3             | 1.1                |  |
| Interest<br>accrual   | 32.0                   | 30.5                   | 12.3              | 23.0              | —                  |  |
| Net<br>premiums<br>collected  | (90.3)                 | (113.4)                | (40.6)            | (101.4)           | (1.1)              |  |
| Ending<br>PVENP at original<br>discount rate                                    | 2,957.9                | 3,042.7                | 1,041.3           | 2,327.9           | —                  |  |
| Effect of<br>changes in<br>discount rate<br>assumptions, end<br>of period       | (120.4)                | (139.2)                | (4.6)             | (92.5)            | —                  |  |
| PVENP,<br>end of period   | <u>\$ 2,837.5</u>      | <u>\$ 2,903.5</u>      | <u>\$ 1,036.7</u> | <u>\$ 2,235.4</u> | <u>\$ —</u>        |  |
| <br>PVEFPB,<br>beginning of period  |                        |                        |                   |                   |                    |  |
| Effect of<br>changes in<br>discount rate<br>assumptions,<br>beginning of period | 483.3                  | 212.0                  | 28.5              | 336.6             | 15.4               |  |
| Beginning<br>PVEFPB at original<br>discount rate                                | 6,370.1                | 3,245.1                | 4,186.6           | 4,754.5           | 326.3              |  |
| Effect of<br>changes in cash<br>flow assumptions                                | —                      | —                      | —                 | —                 | —                  |  |
| Effect of<br>actual variances<br>from expected<br>experience                    | (20.5)                 | 32.2                   | (6.3)             | (15.2)            | .7                 |  |
| Adjusted<br>beginning of period   | 6,349.6                | 3,277.3                | 4,180.3           | 4,739.3           | 327.0              |  |
| Issuances   | 63.7                   | 101.6                  | 15.7              | 108.3             | 1.1                |  |
| Interest<br>accrual   | 73.8                   | 33.2                   | 55.5              | 51.0              | 3.7                |  |
| Benefit<br>payments   | (99.5)                 | (125.6)                | (71.3)            | (115.0)           | (8.6)              |  |
| Ending<br>PVEFPB at original<br>discount rate                                   | 6,387.6                | 3,286.5                | 4,180.2           | 4,783.6           | 323.2              |  |
| Effect of<br>changes in<br>discount rate<br>assumptions, end<br>of period       | (306.8)                | (150.0)                | 86.4              | (223.0)           | (6.9)              |  |
| PVEFPB,<br>end of period  | <u>\$ 6,080.8</u>      | <u>\$ 3,136.5</u>      | <u>\$ 4,266.6</u> | <u>\$ 4,560.6</u> | <u>\$ 316.3</u>    |  |

|  |                   |                 |                   |                   |                 |
|--|-------------------|-----------------|-------------------|-------------------|-----------------|
| Net liability for future policy benefits                                 | \$ 3,243.3        | \$ 233.0        | \$ 3,229.9        | \$ 2,325.2        | \$ 316.3        |
| Flooring impact  | —                 | .4              | —                 | —                 | —               |
| Adjusted net liability for future policy benefits                        | 3,243.3           | 233.4           | 3,229.9           | 2,325.2           | 316.3           |
| Related reinsurance recoverable  | (2.4)             | —               | (357.5)           | (201.1)           | —               |
| Net liability for future policy benefits, net of reinsurance recoverable | <u>\$ 3,240.9</u> | <u>\$ 233.4</u> | <u>\$ 2,872.4</u> | <u>\$ 2,124.1</u> | <u>\$ 316.3</u> |

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The following table reconciles the net liability for future policy benefits to the amount presented in the consolidated balance sheet (dollars in millions):

|  | March 31, 2024     | March 31, 2023     |
|--|--------------------|--------------------|
| Balances included in the future policy benefits rollforwards:      |                    |                    |
| Supplemental health  | \$ 3,236.5         | \$ 3,243.3         |
| Medicare supplement  | 223.7              | 233.4              |
| Long-term care   | 3,225.8            | 3,229.9            |
| Traditional life   | 2,363.5            | 2,325.2            |
| Other annuities  | 298.9              | 316.3              |
| Reserves excluded from rollforward (a)                             | 2,488.1            | 2,593.3            |
| Deferred profit liability  | 64.7               | 57.7               |
| Amount of reserves above (below) policyholder account balances (b) | (195.7)            | (410.5)            |
| Future loss reserves (c)   | 31.0               | 34.7               |
| Future policy benefits   | <u>\$ 11,736.5</u> | <u>\$ 11,623.3</u> |

(a) Primarily comprised of blocks of business that are 100% ceded.  
 (b) Such amount represents the difference between: (i) the total insurance liabilities for our fixed indexed annuities (including the host contract and the related embedded derivative); and (ii) the policyholder account balances for these products. The accounting requirement to bifurcate the embedded derivative and value it at the current estimated fair value results in this amount.  
 (c) In certain instances for interest-sensitive products, the total insurance liabilities for a particular line of business may not be deficient in the aggregate to trigger loss recognition, but the pattern of earnings may be such that profits are expected to be recognized in earlier years followed by losses in later years. In these situations, accounting standards require that an additional liability (the "future loss reserve") be recognized by an amount necessary to sufficiently offset the losses that would be recognized in later years.

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Many of our fixed indexed annuity products include a guaranteed living withdrawal benefit ("GLWB") that is considered a market risk benefit ("MRB"). The calculation of MRBs includes market assumptions (interest rate, equity returns, volatility and dividend yields) and nonmarket assumptions (mortality rates, surrender and withdrawal rates, GLWB utilization and spreads). Market assumptions are updated quarterly to reflect current market conditions. During the first three months of 2024, we reviewed the nonmarket assumptions used to calculate MRBs and determined that such assumptions were appropriate.

The following table presents the balance of and changes in MRBs associated with our fixed indexed annuities (dollars in millions):

|   | Three months ended |           |
|---|--------------------|-----------|
|   | March 31,          |           |
|   | 2024               | 2023      |
| Net liability (asset), beginning of period  | \$ (68.0)          | \$ (54.0) |
| Effect of changes in the instrument-specific credit risk, beginning of period                         | 4.8                | 12.2      |
| Balance, beginning of period, before effect of changes in the instrument-specific credit risk         | (63.2)             | (41.8)    |
| Issuances   | (.1)               | .1        |
| Interest accrual  | 5.1                | 5.2       |
| Attributed fees collected   | —                  | —         |
| Benefit payments  | —                  | —         |
| Effect of changes in interest rates   | (13.7)             | 12.3      |
| Effect of changes in equity markets   | (5.0)              | 5.3       |
| Effect of changes in equity index volatility  | (1.2)              | (7.4)     |
| Actual policyholder behavior different from expected behavior   | 1.9                | .6        |
| Effect of changes in future expected policyholder behavior - other                                    | —                  | —         |
| Effect of changes in future expected policyholder behavior - risk margin                              | —                  | —         |
| Effect of changes in assumptions  | (.8)               | (1.4)     |
| Net liability (asset), end of period, before effect of changes in the instrument-specific credit risk | (77.0)             | (27.1)    |
| Effect of changes in the instrument-specific credit risk, end of period                               | (3.3)              | (13.1)    |
| Net liability (asset), end of period  | (80.3)             | (40.2)    |
| Reinsurance recoverable, end of period  | —                  | —         |
| Net liability (asset), end of period, net of reinsurance  | \$ (80.3)          | \$ (40.2) |
| Balance reported as an asset  | \$ 84.1            | \$ 57.8   |
| Balance reported as a liability   | 3.8                | 17.6      |
| Net liability (asset)   | \$ (80.3)          | \$ (40.2) |
| Net amount at risk  | \$ 46.2            | \$ 58.9   |
| Weighted average attained age of contract holders   | 69                 | 68        |

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The following table summarizes the amount of revenue and interest related to traditional and limited-payment contracts recognized in the consolidated statement of operations (dollars in millions):

|                     | Gross premiums (a) |          | Interest accretion (b) |          |
|---------------------|--------------------|----------|------------------------|----------|
|                     | Three months ended |          | Three months ended     |          |
|                     | March 31,          |          | March 31,              |          |
|                     | 2024               | 2023     | 2024                   | 2023     |
| Other annuities     | \$ 1.0             | \$ 1.3   | \$ 3.6                 | \$ 3.7   |
| Supplemental health | 175.2              | 179.4    | 41.9                   | 41.8     |
| Medicare supplement | 156.8              | 159.2    | 2.7                    | 2.7      |
| Long-term care      | 85.0               | 82.7     | 43.8                   | 43.2     |
| Traditional life    | 178.9              | 178.8    | 28.5                   | 28.0     |
| Total               | \$ 596.9           | \$ 601.4 | \$ 120.5               | \$ 119.4 |

(a) Such amounts are included in insurance policy income in the consolidated statement of operations.

(b) Such amounts are included in insurance policy benefits in the consolidated statement of operations.

The following table provides the amount of undiscounted and discounted expected gross premiums and expected future benefits and expenses for traditional and limited-payment contracts (dollars in millions):

|                                       | March 31, 2024 |                | March 31, 2023 |         |
|---------------------------------------|----------------|----------------|----------------|---------|
|                                       | Undiscounted   | Discounted (a) | Discounted     |         |
|                                       |                |                | Undiscounted   | (a)     |
| Other annuity                         |                |                |                |         |
| Expected future gross premiums        | \$ —           | \$ —           | \$ —           | \$ —    |
| Expected future benefits and expenses | 370.6          | 298.9          | 396.9          | 316.3   |
| Supplemental health                   |                |                |                |         |
| Expected future gross premiums        | 8,932.2        | 5,527.6        | 8,964.4        | 5,605.7 |
| Expected future benefits and expenses | 10,812.6       | 5,897.0        | 11,040.9       | 6,080.8 |
| Medicare supplement                   |                |                |                |         |
| Expected future gross premiums        | 5,744.3        | 4,024.7        | 5,645.2        | 4,031.9 |
| Expected future benefits and expenses | 4,601.3        | 3,198.7        | 4,417.8        | 3,136.5 |
| Long-term care                        |                |                |                |         |
| Expected future gross premiums        | 3,330.8        | 2,340.7        | 2,954.3        | 2,152.7 |
| Expected future benefits and expenses | 7,724.0        | 4,274.7        | 7,445.7        | 4,266.6 |
| Traditional life                      |                |                |                |         |
| Expected future gross premiums        | 5,642.0        | 4,048.0        | 5,435.0        | 3,953.3 |
| Expected future benefits and expenses | 7,574.2        | 4,620.1        | 7,382.8        | 4,560.6 |

(a) Calculated at the discount rates at period end.

Loss expense as a result of net premium ratio capping was not material in both the three months ended March 31, 2024 and 2023.

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The following table provides the weighted average durations (under locked-in rates) of the liability for future policy benefits in years:

|                     | March<br>31,<br>2024 | March<br>31,<br>2023 |
|---------------------|----------------------|----------------------|
| Other annuity       | 9.6                  | 9.7                  |
| Supplemental health | 11.3                 | 11.8                 |
| Medicare supplement | 6.4                  | 6.1                  |
| Long-term care      | 10.6                 | 10.5                 |
| Traditional life    | 10.4                 | 10.1                 |

The following table provides the weighted average interest rates for the liability for future policy benefits:

|                            | March 31,<br>2024 | March 31,<br>2023 |      |   |
|----------------------------|-------------------|-------------------|------|---|
| Other annuities            |                   |                   |      |   |
| Interest<br>accretion rate | 4.82              | %                 | 4.76 | % |
| Current<br>discount rate   | 5.37              | %                 | 5.17 | % |
| Supplemental<br>health     |                   |                   |      |   |
| Interest<br>accretion rate | 5.00              | %                 | 5.04 | % |
| Current<br>discount rate   | 5.35              | %                 | 5.14 | % |
| Medicare<br>supplement     |                   |                   |      |   |
| Interest<br>accretion rate | 4.31              | %                 | 4.26 | % |
| Current<br>discount rate   | 5.24              | %                 | 4.94 | % |
| Long-term care             |                   |                   |      |   |
| Interest<br>accretion rate | 5.67              | %                 | 5.67 | % |
| Current<br>discount rate   | 5.39              | %                 | 5.18 | % |
| Traditional life           |                   |                   |      |   |
| Interest<br>accretion rate | 4.77              | %                 | 4.77 | % |
| Current<br>discount rate   | 5.37              | %                 | 5.15 | % |

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Policyholder account balances represent the contract value that has accrued to the benefit of the policyholder as of the balance sheet date. It includes the accumulated account deposits, plus interest credited, less policyholder withdrawals and, if applicable, charges assessed. This balance also includes liabilities for the funding agreement-backed notes ("FABN").

Total liabilities for insurance products related to our fixed indexed annuities are comprised of: (i) the liability related to the host contract; and (ii) the fair market value of the embedded derivatives as summarized below (dollars in millions):

|   | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
| Fixed indexed annuity insurance liabilities:      |                   |                      |
| Host contract liability                           | \$ 8,601.8        | 8,487.0              |
| Embedded derivatives at fair value                | 1,426.8           | 1,376.7              |
| Total fixed indexed annuity insurance liabilities | \$ 10,028.6       | 9,863.7              |

For presentation in the consolidated balance sheet, the total fixed indexed annuity insurance liability balance is bifurcated between: (i) policyholder account balances (which is the total of all current balances accruing to the policyholder under the terms and conditions of the policies assuming the contracts will continue in force); and (ii) the difference between the total fixed indexed annuity insurance liabilities summarized above and the policyholder account balances, which is classified as future policy benefits. These classifications are summarized below (dollars in millions):

|   | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
| Policyholder account balances                     | \$ 10,247.8       | 10,138.6             |
| Future policy benefits                            | (218.5)           | (274.9)              |
| Total fixed indexed annuity insurance liabilities | \$ 10,028.6       | 9,863.7              |

When the total policyholder account balance exceeds the total fixed indexed annuity insurance liabilities, a negative future policy benefit balance will occur.

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The following tables present the balances of and changes in the liability for policyholder account balances (dollars in millions):

|  | Three months ended      |                          |                 |                             |                    |           |
|--|-------------------------|--------------------------|-----------------|-----------------------------|--------------------|-----------|
|  | March 31, 2024          |                          |                 |                             |                    |           |
|  | Fixed indexed annuities | Fixed interest annuities | Other annuities | Interest-sensitive life (b) | Funding agreements | Other (a) |
| Balance, beginning of period excluding contracts             |                         |                          |                 |                             |                    |           |
| 100% ceded   | \$ 9,999.2              | \$ 1,636.4               | \$ 113.1        | \$ 1,255.2                  | \$ 1,411.0         | \$ 381.0  |
| Issuances (funds collected from new business)                | 345.4                   | 45.1                     | —               | 9.7                         | —                  | —         |
| Premiums received (premiums collected from inforce business) | .5                      | 1.0                      | 5.7             | 52.4                        | —                  | 65.7      |
| Policy charges   | (6.5)                   | (.3)                     | —               | (48.2)                      | —                  | —         |
| Surrenders and withdrawals                                   | (232.2)                 | (52.8)                   | (8.7)           | (8.1)                       | (9.9)              | (74.5)    |
| Benefit payments   | (74.4)                  | (30.2)                   | (1.4)           | (5.4)                       | —                  | —         |
| Interest credited  | 68.9                    | 11.4                     | .5              | 15.2                        | 7.2                | .7        |
| Other  | 11.8                    | —                        | (.1)            | (.1)                        | —                  | —         |
| Balance, end of period excluding contracts                   |                         |                          |                 |                             |                    |           |
| 100% ceded   | 10,112.7                | 1,610.6                  | 109.1           | 1,270.7                     | 1,408.3            | 372.9     |
| Balance, end of period for contracts 100% ceded              | 134.4                   | 579.3                    | 25.5            | 102.9                       | —                  | 10.3      |
| Balance, end of period                                       | \$ 10,247.1             | \$ 2,189.9               | \$ 134.6        | \$ 1,373.6                  | \$ 1,408.3         | \$ 383.2  |
| Balance, end of period, reinsurance ceded                    | (134.4)                 | (579.3)                  | (25.5)          | (121.0)                     | —                  | (24.0)    |
| Balance, end of period, net of reinsurance                   | \$ 10,112.7             | \$ 1,610.6               | \$ 109.1        | \$ 1,252.6                  | \$ 1,408.3         | \$ 359.2  |
| Weighted average crediting rate                              | 1.9 %                   | 2.8 %                    | 2.4 %           | 4.3 %                       | 2.0 %              | 0.8 %     |
| Cash surrender value, net of reinsurance                     | \$ 9,434.2              | \$ 1,582.1               | \$ 109.1        | \$ 1,027.7                  | \$ —               | \$ 359.2  |

(a) Predominantly consists of retained asset accounts associated with our traditional life and supplemental health blocks.

(b) The amount of insurance policy benefit expense resulting from death claims that we would incur in excess of the policyholder account balance (net amount at risk) for interest-sensitive life contracts was \$28,672.9 million at the balance sheet date.

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|   | Three months ended<br>March 31, 2023 |                             |                 |                                |                       |           |
|---|--------------------------------------|-----------------------------|-----------------|--------------------------------|-----------------------|-----------|
|   | Fixed indexed<br>annuities           | Fixed interest<br>annuities | Other annuities | Interest-sensitive<br>life (b) | Funding<br>agreements | Other (a) |
| Balance,<br>beginning of period<br>excluding contracts                |                                      |                             |                 |                                |                       |           |
| 100% ceded  | \$ 9,490.4                           | \$ 1,663.1                  | \$ 127.1        | \$ 1,209.6                     | \$ 1,410.8            | \$ 395.5  |
| Issuances<br>(funds collected<br>from new business)                   | 323.3                                | 45.3                        | —               | 9.5                            | —                     | —         |
| Premiums<br>received (premiums<br>collected from<br>inforce business) | .4                                   | .7                          | 7.5             | 50.3                           | —                     | 63.0      |
| Policy<br>charges   | (4.0)                                | (.2)                        | —               | (46.1)                         | —                     | —         |
| Surrenders<br>and withdrawals   | (178.2)                              | (43.3)                      | (10.5)          | (8.2)                          | (9.9)                 | (72.6)    |
| Benefit<br>payments   | (59.2)                               | (27.7)                      | (1.7)           | (6.0)                          | —                     | —         |
| Interest<br>credited  | 6.1                                  | 11.3                        | .6              | 8.1                            | 7.2                   | .7        |
| Other   | 5.5                                  | .1                          | (.2)            | —                              | —                     | —         |
| Balance,<br>end of period<br>excluding contracts                      |                                      |                             |                 |                                |                       |           |
| 100% ceded  | 9,584.3                              | 1,649.3                     | 122.8           | 1,217.2                        | 1,408.1               | 386.6     |
| Balance,<br>end of period for<br>contracts 100%<br>ceded              | 154.4                                | 632.6                       | 26.3            | 110.7                          | —                     | 10.6      |
| Balance,<br>end of period   | \$ 9,738.7                           | \$ 2,281.9                  | \$ 149.1        | \$ 1,327.9                     | \$ 1,408.1            | \$ 397.2  |
| Balance,<br>end of period,<br>reinsurance ceded                       | (154.4)                              | (632.6)                     | (26.3)          | (130.5)                        | —                     | (24.8)    |
| Balance,<br>end of period, net of<br>reinsurance                      | \$ 9,584.3                           | \$ 1,649.3                  | \$ 122.8        | \$ 1,197.4                     | \$ 1,408.1            | \$ 372.4  |
| Weighted<br>average crediting<br>rate                                 | 1.6 %                                | 2.7 %                       | 1.9 %           | 3.1 %                          | 2.0 %                 | 0.6 %     |
| Cash<br>surrender value,<br>net of reinsurance                        | \$ 8,932.4                           | \$ 1,631.5                  | \$ 122.8        | \$ 977.1                       | \$ —                  | \$ 372.4  |

(a) Predominantly consists of retained asset accounts associated with our traditional life and supplemental health blocks.

(b) The amount of insurance policy benefit expense resulting from death claims that we would incur in excess of the policyholder account balance (net amount at risk) for interest-sensitive life contracts was \$26,865.3 million at the balance sheet date.

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The following table reconciles the liability for policyholder account balances to the amount presented in the consolidated balance sheet (dollars in millions):

|   | March 31, 2024     | March 31, 2023     |
|---|--------------------|--------------------|
| Amounts included in the liability for policyholder account balances rollforwards: |                    |                    |
| Fixed indexed annuities   | \$ 10,247.1        | \$ 9,738.7         |
| Fixed interest annuities  | 2,189.9            | 2,281.9            |
| Other annuities   | 134.6              | 149.1              |
| Interest-sensitive life   | 1,373.6            | 1,327.9            |
| Funding agreements  | 1,408.3            | 1,408.1            |
| Other   | 383.2              | 397.2              |
| <b>Total</b>  | <b>\$ 15,736.7</b> | <b>\$ 15,302.9</b> |

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The following tables present the account values by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between rates being credited to policyholders and the respective guaranteed minimums (dollars in millions):

| Range of guaranteed minimum crediting rates (a)                        | March 31, 2024        |                         |                           |                                     |             | Total |
|--|-----------------------|-------------------------|---------------------------|-------------------------------------|-------------|-------|
|  | At guaranteed minimum | 1-50 basis points above | 51-150 basis points above | Greater than 150 basis points above |             |       |
| Fixed interest annuities   |                       |                         |                           |                                     |             |       |
| 0.00%-2.99%  | \$ 105.2              | \$ 211.9                | \$ 233.0                  | \$ 100.9                            | \$ 651.0    |       |
| 3.00%-4.99%  | 1,380.6               | 49.6                    | 15.9                      | 5.2                                 | 1,451.3     |       |
| 5.00% and greater  | 87.6                  | —                       | —                         | —                                   | 87.6        |       |
| Subtotal   | 1,573.4               | 261.5                   | 248.9                     | 106.1                               | 2,189.9     |       |
| Other annuities  |                       |                         |                           |                                     |             |       |
| 0.00%-2.99%  | 31.6                  | 24.1                    | —                         | —                                   | 55.7        |       |
| 3.00%-4.99%  | 44.4                  | —                       | —                         | —                                   | 44.4        |       |
| 5.00% and greater  | 34.5                  | —                       | —                         | —                                   | 34.5        |       |
| Subtotal   | 110.5                 | 24.1                    | —                         | —                                   | 134.6       |       |
| Interest-sensitive life  |                       |                         |                           |                                     |             |       |
| 0.00%-2.99%  | 17.6                  | —                       | 5.4                       | 667.2                               | 690.2       |       |
| 3.00%-4.99%  | 444.2                 | 49.7                    | 167.1                     | .5                                  | 661.5       |       |
| 5.00% and greater  | 21.4                  | .5                      | —                         | —                                   | 21.9        |       |
| Subtotal   | 483.2                 | 50.2                    | 172.5                     | 667.7                               | 1,373.6     |       |
| Other  |                       |                         |                           |                                     |             |       |
| 0.00%-2.99%  | 17.1                  | 343.0                   | —                         | —                                   | 360.1       |       |
| 3.00%-4.99%  | 22.9                  | —                       | —                         | —                                   | 22.9        |       |
| 5.00% and greater  | .2                    | —                       | —                         | —                                   | .2          |       |
| Subtotal   | 40.2                  | 343.0                   | —                         | —                                   | 383.2       |       |
| Total  |                       |                         |                           |                                     |             |       |
| 0.00%-2.99%  | 171.5                 | 579.0                   | 238.4                     | 768.1                               | 1,757.0     |       |
| 3.00%-4.99%  | 1,892.1               | 99.3                    | 183.0                     | 5.7                                 | 2,180.1     |       |
| 5.00% and greater  | 143.7                 | .5                      | —                         | —                                   | 144.2       |       |
| Total policyholder account balances, excluding fixed indexed annuities | \$ 2,207.3            | \$ 678.8                | \$ 421.4                  | \$ 773.8                            | 4,081.3     |       |
| Fixed indexed annuity account balances                                 |                       |                         |                           |                                     | 10,247.1    |       |
| Funding agreements   |                       |                         |                           |                                     | 1,408.3     |       |
| Total policyholder account balances                                    |                       |                         |                           |                                     | \$ 15,736.7 |       |

(a) Excludes the account balances related to: (i) fixed indexed annuity contracts which do not have a minimum crediting rate since returns are based on an index; and (ii) funding agreements which have a fixed crediting rate.

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| Range of guaranteed minimum crediting rates (a)                               | March 31, 2023        |                         |                           |                                     |                    |
|---|-----------------------|-------------------------|---------------------------|-------------------------------------|--------------------|
|   | At guaranteed minimum | 1-50 basis points above | 51-150 basis points above | Greater than 150 basis points above | Total              |
| <b>Fixed interest annuities</b>   |                       |                         |                           |                                     |                    |
| 0.00%-2.99%   | \$ 144.9              | \$ 291.7                | \$ 78.3                   | \$ 76.9                             | \$ 591.8           |
| 3.00%-4.99%   | 1,572.0               | 27.7                    | .1                        | —                                   | 1,599.8            |
| 5.00% and greater   | 90.3                  | —                       | —                         | —                                   | 90.3               |
| <b>Subtotal</b>   | <b>1,807.2</b>        | <b>319.4</b>            | <b>78.4</b>               | <b>76.9</b>                         | <b>2,281.9</b>     |
| <b>Other annuities</b>  |                       |                         |                           |                                     |                    |
| 0.00%-2.99%   | 43.6                  | 29.5                    | —                         | —                                   | 73.1               |
| 3.00%-4.99%   | 65.3                  | —                       | —                         | —                                   | 65.3               |
| 5.00% and greater   | 10.7                  | —                       | —                         | —                                   | 10.7               |
| <b>Subtotal</b>   | <b>119.6</b>          | <b>29.5</b>             | <b>—</b>                  | <b>—</b>                            | <b>149.1</b>       |
| <b>Interest-sensitive life</b>  |                       |                         |                           |                                     |                    |
| 0.00%-2.99%   | 66.5                  | 225.8                   | 226.3                     | 125.0                               | 643.6              |
| 3.00%-4.99%   | 461.5                 | 51.7                    | 148.4                     | .3                                  | 661.9              |
| 5.00% and greater   | 21.9                  | .5                      | —                         | —                                   | 22.4               |
| <b>Subtotal</b>   | <b>549.9</b>          | <b>278.0</b>            | <b>374.7</b>              | <b>125.3</b>                        | <b>1,327.9</b>     |
| <b>Other</b>  |                       |                         |                           |                                     |                    |
| 0.00%-2.99%   | 17.8                  | 355.4                   | —                         | —                                   | 373.2              |
| 3.00%-4.99%   | 23.6                  | —                       | —                         | —                                   | 23.6               |
| 5.00% and greater   | .4                    | —                       | —                         | —                                   | .4                 |
| <b>Subtotal</b>   | <b>41.8</b>           | <b>355.4</b>            | <b>—</b>                  | <b>—</b>                            | <b>397.2</b>       |
| <b>Total</b>  | <b>272.8</b>          | <b>902.4</b>            | <b>304.6</b>              | <b>201.9</b>                        | <b>1,681.7</b>     |
| 0.00%-2.99%   | 2,122.4               | 79.4                    | 148.5                     | .3                                  | 2,350.6            |
| 5.00% and greater   | 123.3                 | .5                      | —                         | —                                   | 123.8              |
| <b>Total policyholder account balances, excluding fixed indexed annuities</b> | <b>\$ 2,518.5</b>     | <b>\$ 982.3</b>         | <b>\$ 453.1</b>           | <b>\$ 202.2</b>                     | <b>4,156.1</b>     |
| <b>Fixed indexed annuity account balances</b>                                 |                       |                         |                           |                                     | <b>9,738.7</b>     |
| <b>Funding agreements</b>   |                       |                         |                           |                                     | <b>1,408.1</b>     |
| <b>Total policyholder account balances</b>                                    |                       |                         |                           |                                     | <b>\$ 15,302.9</b> |

(a) Excludes the account balances related to: (i) fixed indexed annuity contracts which do not have a minimum crediting rate since returns are based on an index; and (ii) funding agreements which have a fixed crediting rate .

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**DEFERRED ACQUISITION COSTS, PRESENT VALUE OF FUTURE PROFITS AND SALES INDUCEMENTS**

Changes in deferred acquisition costs were as follows (dollars in millions):

|                      | Three months ended<br>March 31, 2024 |                                |                        |                        |                   |                             |                     |                       |                   |
|----------------------|--------------------------------------|--------------------------------|------------------------|------------------------|-------------------|-----------------------------|---------------------|-----------------------|-------------------|
|                      | Fixed<br>indexed<br>annuities        | Fixed<br>interest<br>annuities | Supplemental<br>health | Medicare<br>supplement | Long-term<br>care | Interest-<br>sensitive life | Traditional<br>life | Funding<br>agreements | Total             |
| Beginning of period  | \$ 407.6                             | \$ 27.0                        | \$ 408.0               | \$ 157.5               | \$ 140.3          | \$ 234.5                    | \$ 471.9            | \$ 4.5                | \$ 1,851.3        |
| Capitalizations      | 22.3                                 | 3.0                            | 15.0                   | 6.3                    | 5.2               | 9.3                         | 29.5                | —                     | 90.6              |
| Amortization expense | (13.4)                               | (1.1)                          | (8.4)                  | (6.7)                  | (3.7)             | (3.8)                       | (14.3)              | (.4)                  | (51.8)            |
| End of period        | <u>\$ 416.5</u>                      | <u>\$ 28.9</u>                 | <u>\$ 414.6</u>        | <u>\$ 157.1</u>        | <u>\$ 141.8</u>   | <u>\$ 240.0</u>             | <u>\$ 487.1</u>     | <u>\$ 4.1</u>         | <u>\$ 1,890.1</u> |

|                      | Three months ended<br>March 31, 2023 |                                |                        |                        |                   |                             |                     |                       |                   |
|----------------------|--------------------------------------|--------------------------------|------------------------|------------------------|-------------------|-----------------------------|---------------------|-----------------------|-------------------|
|                      | Fixed<br>indexed<br>annuities        | Fixed<br>interest<br>annuities | Supplemental<br>health | Medicare<br>supplement | Long-term<br>care | Interest-<br>sensitive life | Traditional<br>life | Funding<br>agreements | Total             |
| Beginning of period  | \$ 365.6                             | \$ 19.6                        | \$ 378.8               | \$ 161.2               | \$ 137.9          | \$ 212.2                    | \$ 409.1            | \$ 6.0                | \$ 1,690.4        |
| Capitalizations      | 21.6                                 | 2.5                            | 14.4                   | 5.8                    | 3.4               | 8.3                         | 28.2                | —                     | 84.2              |
| Amortization expense | (11.1)                               | (.9)                           | (7.6)                  | (7.2)                  | (3.8)             | (3.5)                       | (12.2)              | (.3)                  | (46.6)            |
| End of period        | <u>\$ 376.1</u>                      | <u>\$ 21.2</u>                 | <u>\$ 385.6</u>        | <u>\$ 159.8</u>        | <u>\$ 137.5</u>   | <u>\$ 217.0</u>             | <u>\$ 425.1</u>     | <u>\$ 5.7</u>         | <u>\$ 1,728.0</u> |

Changes in the present value of future profits were as follows (dollars in millions):

|                      | Three months ended<br>March 31, 2024 |                        |                   |                     |                            |                             |           |           |              |
|----------------------|--------------------------------------|------------------------|-------------------|---------------------|----------------------------|-----------------------------|-----------|-----------|--------------|
|                      | Supplemental<br>health               | Medicare<br>supplement | Long-term<br>care | Traditional<br>life | Fixed<br>indexed annuities | Fixed<br>interest annuities |           |           | Total        |
| Beginning of period  | \$ 141.0                             | \$ 20.6                | \$ 5.2            | \$ 12.9             | \$ .7                      | \$ .3                       | \$        | \$        | 180.7        |
| Amortization expense | (3.1)                                | (1.4)                  | (.2)              | (.4)                | (.1)                       | —                           |           |           | (5.2)        |
| End of period        | <u>\$ 137.9</u>                      | <u>\$ 19.2</u>         | <u>\$ 5.0</u>     | <u>\$ 12.5</u>      | <u>\$ .6</u>               | <u>\$ .3</u>                | <u>\$</u> | <u>\$</u> | <u>175.5</u> |

  

|                      | Three months ended<br>March 31, 2023 |                        |                   |                     |                            |                             |           |           |              |
|----------------------|--------------------------------------|------------------------|-------------------|---------------------|----------------------------|-----------------------------|-----------|-----------|--------------|
|                      | Supplemental<br>health               | Medicare<br>supplement | Long-term<br>care | Traditional<br>life | Fixed<br>indexed annuities | Fixed<br>interest annuities |           |           | Total        |
| Beginning of period  | \$ 154.0                             | \$ 27.5                | \$ 6.2            | \$ 14.8             | \$ .8                      | \$ .4                       | \$        | \$        | 203.7        |
| Amortization expense | (3.3)                                | (1.9)                  | (.3)              | (.5)                | (.1)                       | —                           |           |           | (6.1)        |
| End of period        | <u>\$ 150.7</u>                      | <u>\$ 25.6</u>         | <u>\$ 5.9</u>     | <u>\$ 14.3</u>      | <u>\$ .7</u>               | <u>\$ .4</u>                | <u>\$</u> | <u>\$</u> | <u>197.6</u> |

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Changes in sales inducements were as follows (dollars in millions):

|                         | Three months ended<br>March 31, 2024 |                             |                 |
|-------------------------|--------------------------------------|-----------------------------|-----------------|
|                         | Fixed indexed<br>annuities           | Fixed interest<br>annuities | Total           |
|                         | Beginning of<br>period               | \$ 88.5                     | \$ 4.6          |
| Capitalizations         | 12.3                                 | .3                          | 12.6            |
| Amortization<br>expense | (3.3)                                | (2)                         | (3.5)           |
| End of period           | <u>\$ 97.5</u>                       | <u>\$ 4.7</u>               | <u>\$ 102.2</u> |

  

|                         | Three months ended<br>March 31, 2023 |                             |                |
|-------------------------|--------------------------------------|-----------------------------|----------------|
|                         | Fixed indexed<br>annuities           | Fixed interest<br>annuities | Total          |
|                         | Beginning of<br>period               | \$ 76.0                     | \$ 4.5         |
| Capitalizations         | 5.4                                  | .2                          | 5.6            |
| Amortization<br>expense | (2.6)                                | (2)                         | (2.8)          |
| End of period           | <u>\$ 78.8</u>                       | <u>\$ 4.5</u>               | <u>\$ 83.3</u> |

#### EARNINGS PER SHARE

A reconciliation of net income (loss) and shares used to calculate basic and diluted earnings per share is as follows (dollars in millions and shares in thousands):

|   | Three months ended<br>March 31,                               |                |
|---|---|----------------|
|   | 2024  | 2023           |
|   | Net income (loss) for basic and<br>diluted earnings per share | \$ 112.3       |
| <b>Shares:</b>  |   |                |
| Weighted average shares<br>outstanding for basic earnings per share   | 108,964   | 114,545        |
| Effect of dilutive securities on<br>weighted average shares:          |   |                |
| Amounts related to employee<br>benefit plans                          | 1,881   | —              |
| Weighted average shares<br>outstanding for diluted earnings per share | <u>110,845</u>  | <u>114,545</u> |

In the three months ended March 31, 2023, the equivalent of 2,182 thousand common shares (related to shares issuable pursuant to employee benefit plans) were not included in the diluted weighted average shares outstanding because their inclusion would have been anti-dilutive due to the net loss recognized by the Company in such period.

Basic earnings per common share is computed by dividing net income (loss) by the weighted average number of common shares outstanding for the period. Restricted shares (including our performance units) are not included in basic earnings per share until vested. Diluted earnings per share reflect the potential dilution that could occur if outstanding stock options were exercised and restricted stock was vested. The dilution from options and restricted shares is calculated using the treasury stock method. Under this method, we assume the proceeds from the exercise of the options (or the unrecognized compensation expense with respect to restricted stock and performance units) will be used to purchase shares of our common stock at the average market price during the period, reducing the dilutive effect of the exercise of the options (or the vesting of the restricted stock and performance units).

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**BUSINESS SEGMENTS**

We view our operations as three insurance product lines (annuity, health and life) and the investment and fee income segments. Our segments are aligned based on their common characteristics, comparability of profit margins and the way management makes operating decisions and assesses the performance of the business.

Our insurance product line segments (annuity, health and life) include marketing, underwriting and administration of the policies our insurance subsidiaries sell. The business written in each of the three product categories through all of our insurance subsidiaries is aggregated allowing management and investors to assess the performance of each product category. When analyzing profitability of these segments, we use insurance product margin as the measure of profitability, which is: (i) insurance policy income; and (ii) net investment income allocated to the insurance product lines; less (i) insurance policy benefits and interest credited to policyholders; and (ii) amortization of deferred acquisition costs and present value of future profits, non-deferred commissions and advertising expense. Net investment income is allocated to the product lines using the book yield of investments backing the block of business, which is applied to the average net insurance liabilities for the block in each period. Net insurance liabilities for the purpose of allocating investment income to product lines are equal to: (i) policyholder account balances for annuity products; (ii) total reserves before the fair value adjustments reflected in accumulated other comprehensive income (loss), if applicable, for all other products; less (ii) amounts related to reinsurance business; (iv) deferred acquisition costs; (v) the present value of future profits; and (vi) the value of unexpired options credited to insurance liabilities.

Income from insurance products is the sum of the insurance product margins of the annuity, health and life product lines, less expenses allocated to the insurance lines. It excludes the income from our fee income business, investment income not allocated to product lines, net expenses not allocated to product lines (primarily holding company expenses) and income taxes. Management believes insurance product margin and income from insurance products help provide a better understanding of the business and a more meaningful analysis of the results of our insurance product lines.

We market our products through the Consumer and Worksite Divisions that reflect the customers served by the Company. The Consumer and Worksite Divisions are primarily focused on marketing insurance products, several types of which are sold in both divisions and underwritten in the same manner.

The Consumer Division serves individual consumers, engaging with them on the phone, virtually, online, face-to-face with agents, or through a combination of sales channels. This structure unifies consumer capabilities into a single division and integrates the strength of our agent sales forces with one of the largest direct-to-consumer insurance businesses with proven experience in advertising, web/digital and call center support.

The Worksite Division focuses on the sale of voluntary benefit life and health insurance products in the workplace for businesses, associations, and other membership groups, interacting with customers at their place of employment and virtually. With a separate Worksite Division, we are bringing a sharper focus to this high-growth business while further capitalizing on the strength of our wholly-owned subsidiary, Optavise, LLC ("Optavise"), a national provider of year-round technology-driven employee benefits management services.

The investment segment involves the management of our capital resources, including investments and the management of corporate debt and liquidity. Our measure of profitability of this segment is the total net investment income not allocated to the insurance products. Investment income not allocated to product lines represents net investment income less: (i) equity returns credited to policyholder account balances; (ii) the investment income allocated to our product lines; (iii) interest expense on notes payable, investment borrowings and financing arrangements; (iv) expenses related to the FABN program; and (v) certain expenses related to benefit plans that are offset by special-purpose investment income; plus (vi) the impact of annual option forfeitures related to fixed indexed annuity surrenders. Investment income not allocated to product lines includes investment income on investments in excess of amounts allocated to product lines, investments held by our holding companies, the spread we earn from our Federal Home Loan Bank ("FHLB") investment borrowing and FABN programs and variable components of investment income (including call and prepayment income, adjustments to returns on structured securities due to cash flow changes, income (loss) from company-owned life insurance ("COL") and alternative investment income not allocated to product lines), net of interest expense on corporate debt and financing arrangements. The spread earned from our FHLB investment borrowing and FABN programs includes the investment income on the matched assets less: (i) interest on

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investment borrowings related to the FHLB investment borrowing program; (ii) interest credited on funding agreements; and (iii) amortization of deferred acquisition costs related to the FABN program.

Our fee income segment includes the earnings generated from sales of third-party insurance products, services provided by Optavise and the operations of our broker/dealer and registered investment advisor.

Expenses not allocated to product lines include the expenses of our corporate operations, excluding interest expense on debt.

We measure segment performance by excluding total investment gains (losses), changes in fair value of embedded derivative liabilities and MRBs, fair value changes related to the agent deferred compensation plan, income taxes and other non-operating items consisting primarily of earnings attributable to VIEs ("pre-tax operating earnings") because we believe that this performance measure is a better indicator of the ongoing business and trends in our business. Our primary investment focus is on investment income to support our liabilities for insurance products as opposed to the generation of investment gains (losses), and a long-term focus is necessary to maintain profitability over the life of the business.

Investment gains (losses), changes in fair value of embedded derivative liabilities and MRBs, fair value changes related to the agent deferred compensation plan and other non-operating items consisting primarily of earnings attributable to VIEs depend on market conditions or represent unusual items that do not necessarily relate to the underlying business of our segments. Investment gains (losses) and changes in fair value of embedded derivative liabilities and MRBs may affect future earnings levels since our underlying business is long-term in nature and changes in our investment portfolio may impact our ability to earn the assumed interest rates needed to maintain the profitability of our business.

Operating information by segment is as follows (dollars in millions):

|   | Three months ended |                   |
|---|--------------------|-------------------|
|   | March 31,          |                   |
|   | 2024               | 2023              |
| <b>Revenues:</b>  |                    |                   |
| <b>Annuity:</b>   |                    |                   |
| Insurance policy income   | \$ 7.3             | \$ 5.1            |
| Net investment income   | 134.5              | 125.4             |
| Total annuity revenues  | 141.8              | 130.5             |
| <b>Health:</b>  |                    |                   |
| Insurance policy income   | 398.4              | 401.4             |
| Net investment income   | 74.3               | 74.0              |
| Total health revenues   | 472.7              | 475.4             |
| <b>Life:</b>  |                    |                   |
| Insurance policy income   | 222.7              | 219.0             |
| Net investment income   | 36.5               | 36.3              |
| Total life revenues   | 259.2              | 255.3             |
| Change in market values of the underlying options supporting the fixed indexed annuity and life products (offset by market value changes credited to policyholder balances) | 139.7              | 18.6              |
| Investment income not allocated to product lines  | 71.6               | 67.8              |
| Fee revenue and other income:   |                    |                   |
| Fee revenue   | 50.5               | 51.3              |
| Amounts netted in expenses not allocated to product lines   | 1.2                | 1.6               |
| <b>Total segment revenues</b>   | <b>\$ 1,136.7</b>  | <b>\$ 1,000.5</b> |

(continued on next page)

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|  | Three months ended |                |
|--|--------------------|----------------|
|  | March 31,          |                |
|  | 2024               | 2023           |
| <b>Expenses:</b>   |                    |                |
| <b>Annuity:</b>  |                    |                |
| Insurance policy benefits  | \$ 11.3            | \$ 8.7         |
| Interest credited  | 58.3               | 48.1           |
| Amortization and non-deferred commissions  | <u>20.2</u>        | <u>16.4</u>    |
| Total annuity expenses   | <u>89.8</u>        | <u>73.2</u>    |
| <b>Health:</b>   |                    |                |
| Insurance policy benefits  | 308.5              | 318.1          |
| Amortization and non-deferred commissions  | <u>41.2</u>        | <u>40.8</u>    |
| Total health expenses  | <u>349.7</u>       | <u>358.9</u>   |
| <b>Life:</b>   |                    |                |
| Insurance policy benefits  | 144.0              | 147.2          |
| Interest credited  | 12.5               | 12.1           |
| Amortization, non-deferred commissions and advertising expense                           | <u>48.1</u>        | <u>48.6</u>    |
| Total life expenses  | <u>204.6</u>       | <u>207.9</u>   |
| Allocated expenses   | 161.6              | 157.5          |
| Expenses not allocated to product lines  | 18.0               | 19.9           |
| Market value changes of options credited to fixed indexed annuity and life policyholders | 139.7              | 18.6           |
| Amounts netted in investment income not allocated to product lines:                      |                    |                |
| Interest expense   | 48.3               | 37.4           |
| Interest credited  | 7.2                | 7.2            |
| Impact of annual option forfeitures related to fixed indexed annuity surrenders          | (6.2)              | —              |
| Amortization   | .4                 | .4             |
| Other expenses   | 9.6                | 7.3            |
| Expenses netted in fee revenue:  |                    |                |
| Commissions and other operating expenses   | 39.2               | 35.8           |
| Total segment expenses   | <u>1,061.9</u>     | <u>924.1</u>   |
| <b>Pre-tax measure of profitability:</b>   |                    |                |
| Annuity margin   | 52.0               | 57.3           |
| Health margin  | 123.0              | 116.5          |
| Life margin  | <u>54.6</u>        | <u>47.4</u>    |
| Total insurance product margin   | 229.6              | 221.2          |
| Allocated expenses   | <u>(161.6)</u>     | <u>(157.5)</u> |
| Income from insurance products   | 68.0               | 63.7           |
| Fee income   | 11.3               | 15.5           |
| Investment income not allocated to product lines   | 12.3               | 15.5           |
| Expenses not allocated to product lines  | (16.8)             | (18.3)         |
| Operating earnings before taxes  | 74.8               | 76.4           |
| Income tax expense on operating income   | 17.3               | 17.8           |
| Net operating income   | <u>\$ 57.5</u>     | <u>\$ 58.6</u> |

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A reconciliation of segment revenues and expenses to consolidated revenues and expenses and net income (loss) is as follows (dollars in millions):

|  | Three months ended |                   |
|--|--------------------|-------------------|
|  | March 31,          | 2024              |
|  | 2023               | \$                |
| <b>Total segment revenues</b>  | <b>\$ 1,136.7</b>  | <b>\$ 1,000.5</b> |
| Total investment gains (losses)  | 7.8                | (14.6)            |
| Revenues related to earnings attributable to VIEs                                    | 12.0               | 20.1              |
| <b>Consolidated revenues</b>   | <b>1,156.5</b>     | <b>1,006.0</b>    |
| <br>Total segment expenses   | <br>1,061.9        | <br>924.1         |
| Insurance policy benefits - fair value changes in<br>embedded derivative liabilities | (64.0)             | 65.1              |
| Expenses attributable to VIEs  | 12.4               | 17.8              |
| <b>Consolidated expenses</b>   | <b>1,010.3</b>     | <b>1,007.0</b>    |
| Income (loss) before tax   | 146.2              | (1.0)             |
| Income tax expense (benefit)   | 33.9               | (.2)              |
| <b>Net income (loss)</b>   | <b>\$ 112.3</b>    | <b>\$ (.8)</b>    |

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**ACCOUNTING FOR DERIVATIVES**

Our freestanding and embedded derivatives, which are not designated as hedging instruments, are held at fair value and are summarized as follows (dollars in millions):

|  | Fair value               |                          |
|--|--------------------------|--------------------------|
|  | March 31,<br>2024        | December 31,<br>2023     |
| <b>Assets:</b>   |                          |                          |
| Other invested assets:   |                          |                          |
| Fixed indexed call options   | \$ 355.0                 | \$ 239.2                 |
| Reinsurance receivables  | (17.2)                   | (17.5)                   |
| Total assets   | <u><u>\$ 337.8</u></u>   | <u><u>\$ 221.7</u></u>   |
| <b>Liabilities:</b>  |                          |                          |
| Embedded derivatives related to fixed indexed annuities at fair value: |                          |                          |
| Policyholder account balances  | \$ 1,645.3               | \$ 1,651.6               |
| Future policy benefits   | (218.5)                  | (274.9)                  |
| Total liabilities  | <u><u>\$ 1,426.8</u></u> | <u><u>\$ 1,376.7</u></u> |

We are required to establish an embedded derivative related to a modified coinsurance agreement pursuant to which we assume the risks of a block of health insurance business. The embedded derivative represents the mark-to-market adjustment for approximately \$81 million in underlying investments held by the ceding reinsurer at March 31, 2024.

Our fixed indexed annuity products provide a guaranteed minimum rate of return and a higher potential return that is based on a percentage (the "participation rate") of the amount of increase in the value of a particular index, such as the Standard & Poor's 500 Index, over a specified period. We are generally able to change the participation rate at the beginning of each index period (typically on each policy anniversary date), subject to contractual minimums. The Company accounts for the options attributed to the policyholder for the estimated life of the contract as embedded derivatives. These accounting requirements often create volatility in the earnings from these products. We typically buy call options (including call spreads) referenced to the applicable indices in an effort to offset or hedge potential increases to policyholder benefits resulting from increases in the particular index to which the policy's return is linked. The notional amount of these options was \$3.6 billion and \$3.3 billion at March 31, 2024 and December 31, 2023, respectively.

We purchase certain fixed maturity securities that contain embedded derivatives that are required to be held at fair value on the consolidated balance sheet. We have elected the fair value option to carry the entire security at fair value with changes in fair value recognized in net income.

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The following table provides the pre-tax impact recognized in net income for derivative instruments, which are not designated as hedges for the periods indicated (dollars in millions):

|   | Three months ended |                  |
|---|--------------------|------------------|
|   | March 31,          | 2024             |
| Net investment income from policyholder and other special-purpose portfolios: |                    |                  |
| Fixed indexed call options  | \$ 140.2           | \$ 18.6          |
| Total investment gains:   |                    |                  |
| Embedded derivative related to modified coinsurance agreement                 | .3                 | 1.4              |
| Total revenues from derivative instruments, not designated as hedges          | 140.5              | 20.0             |
| Insurance policy benefits:  |                    |                  |
| Embedded derivatives related to fixed indexed annuities                       | —                  | 64.9             |
| Net pre-tax impact  | <u>\$ 140.5</u>    | <u>\$ (44.9)</u> |

*Derivative Counterparty Risk*

If the counterparties to the call options fail to meet their obligations, we may recognize a loss. We limit our exposure to such a loss by diversifying among several counterparties believed to be strong and creditworthy. At March 31, 2024, all of our counterparties were rated "A" or higher by S&P Global Ratings ("S&P").

The Company and its subsidiaries are parties to master netting arrangements with its counterparties related to entering into various derivative contracts.

The following table summarizes information related to derivatives with master netting arrangements or collateral as of March 31, 2024 and December 31, 2023 (dollars in millions):

|                            | Gross amounts recognized | Gross amounts offset in the balance sheet | Net amounts of assets presented in the balance sheet | Gross amounts not offset in the balance sheet |                          |            |
|----------------------------|--------------------------|---|--|---|--------------------------|------------|
|                            |                          |   |  | Non-cash collateral                           | Cash collateral received | Net amount |
| <b>March 31, 2024:</b>     |                          |   |  |   |                          |            |
| Fixed indexed call options | \$ 355.0                 | \$ —                                      | \$ 355.0   | \$ 76.0                                       | \$ —                     | \$ 279.0   |
| <b>December 31, 2023:</b>  |                          |   |  |   |                          |            |
| Fixed indexed call options | 239.2                    | —   | 239.2  | 37.0  | —                        | 202.2      |

**REINSURANCE**

The cost of reinsurance ceded totaled \$46.0 million and \$48.3 million in the first quarters of 2024 and 2023, respectively. We deduct this cost from insurance policy income. Reinsurance recoveries netted against insurance policy benefits totaled \$105.8 million and \$134.9 million in the first quarters of 2024 and 2023, respectively.

From time to time, we assume insurance from other companies. Any costs associated with the assumption of insurance are amortized consistent with the method used to amortize deferred acquisition costs. Reinsurance premiums assumed totaled \$4.1 million and \$4.1 million in the first quarters of 2024 and 2023, respectively. Insurance policy benefits related to reinsurance assumed totaled \$5.9 million and \$4.7 million in the first quarters of 2024 and 2023, respectively.

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**INCOME TAXES**

The Company's interim tax expense is based upon the estimated annual effective tax rate for the respective period. Under authoritative guidance, certain items are required to be excluded from the estimated annual effective tax rate calculation. Such items include changes in judgment about the realizability of deferred tax assets resulting from changes in projections of income expected to be available in future years, and items deemed to be unusual, infrequent, or that cannot be reliably estimated. In these cases, the actual tax expense or benefit applicable to that item is treated discretely and is reported in the same period as the related item. The components of income tax expense (benefit) are as follows (dollars in millions):

|   | Three months ended |                |
|---|--------------------|----------------|
|   | March 31,          |                |
|   | 2024               | 2023           |
| Current tax expense                       | \$ 17.3            | \$ 14.0        |
| Deferred tax expense (benefit)            | 16.6               | (14.2)         |
| <b>Total income tax expense (benefit)</b> | <b>\$ 33.9</b>     | <b>\$ (.2)</b> |

A reconciliation of the U.S. statutory corporate tax rate to the estimated annual effective rate, reflected in the consolidated statement of operations is as follows:

|  | Three months ended |               |
|--|--------------------|---------------|
|  | March 31,          |               |
|  | 2024               | 2023          |
| U.S. statutory corporate rate                      | 21.0 %             | 21.0 %        |
| Non-taxable income and nondeductible benefits, net | —                  | (.4)          |
| State taxes  | 2.2                | 2.7           |
| <b>Effective tax rate</b>                          | <b>23.2 %</b>      | <b>23.3 %</b> |

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The components of the Company's income tax assets and liabilities are summarized below (dollars in millions):

|   | March 31,<br>2024 | December 31,<br>2023 |
|---|-------------------|----------------------|
| Deferred tax assets:  |                   |                      |
| Net federal operating loss carryforwards                        | \$ 268.3          | \$ 77.1              |
| Net state operating loss carryforwards                          | 42.8              | 2.5                  |
| Insurance liabilities   | 318.8             | 322.8                |
| Indirect costs allocable to self-constructed real estate assets | —                 | 252.9                |
| Accumulated other comprehensive loss                            | 419.0             | 445.5                |
| Other   | 47.8              | 35.6                 |
| <b>Gross deferred tax assets</b>                                | <b>1,096.7</b>    | <b>1,136.4</b>       |
| Deferred tax liabilities:                                       |                   |                      |
| Investments   | (35.0)            | (36.3)               |
| Present value of future profits and deferred acquisition costs  | (167.7)           | (163.0)              |
| <b>Gross deferred tax liabilities</b>                           | <b>(202.7)</b>    | <b>(199.3)</b>       |
| Net deferred tax assets   | 894.0             | 937.1                |
| Current income taxes accrued                                    | (7.9)             | (.9)                 |
| <b>Income tax assets, net</b>                                   | <b>\$ 886.1</b>   | <b>\$ 936.2</b>      |

Effective January 1, 2024, the Company changed its method of accounting for indirect costs allocable to self-constructed real estate assets which will be reflected in its 2024 federal income tax return filing. This change in accounting method will result in a current year deduction of certain indirect costs previously capitalized under the Company's prior method of accounting. As a result, for tax reporting purposes, the Company recognized a loss of \$987 million in the first quarter of 2024 related to the change in accounting method. The loss can be carried forward indefinitely pursuant to Tax Cuts and Jobs Act, subject to limitations specified in the Internal Revenue Code (the "Code").

Our income tax expense includes deferred income taxes arising from temporary differences between the financial reporting and tax bases of assets and liabilities and net operating loss carryforwards ("NOLs"). Deferred tax assets and liabilities are measured using enacted tax rates expected to apply in the years in which temporary differences are expected to be recovered or paid. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in earnings in the period when the changes are enacted.

A reduction of the net carrying amount of deferred tax assets by establishing a valuation allowance is required if, based on the available evidence, it is more likely than not that such assets will not be realized. In assessing the need for a valuation allowance, all available evidence, both positive and negative, are considered to determine whether, based on the weight of that evidence, a valuation allowance for deferred tax assets is needed. This assessment requires significant judgment and considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of carryforward periods, our experience with operating loss and tax credit carryforwards expiring unused, and tax planning strategies.

We evaluate the need to establish a valuation allowance for our deferred income tax assets on an ongoing basis using a deferred tax valuation model. Our model is adjusted to reflect changes in our projections of future taxable income. Our estimates of future taxable income are based on evidence we consider to be objectively verifiable. Such estimates are subject to numerous risks and uncertainties and the extent to which actual impacts differ from the assumptions used in our deferred tax valuation model. Based on our assessment, we have concluded that it is more likely than not that all our deferred tax assets of \$894.0 million will be realized through future taxable earnings.

Recovery of our deferred tax asset is dependent on achieving the level of future taxable income projected in our deferred tax valuation model and failure to do so could result in the recognition of a valuation allowance in a future period. The recognition of a valuation allowance would increase income tax expense and reduce shareholders' equity, and such an increase could have a significant impact upon our earnings in the future.

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The Code limits the extent to which losses realized by a non-life entity (or entities) may offset income from a life insurance company (or companies) to the lesser of: (i) 35 percent of the income of the life insurance company; or (ii) 35 percent of the total loss of the non-life entities (including NOLs of the non-life entities). There is no similar limitation on the extent to which losses realized by a life insurance entity (or entities) may offset income from a non-life entity (or entities).

Section 382 of the Code imposes limitations on a corporation's ability to use its NOLs when the company undergoes a 50 percent ownership change over a three-year period. Future transactions and the timing of such transactions could cause an ownership change for Section 382 income tax purposes. Such transactions may include, but are not limited to, additional repurchases under our securities repurchase program, issuances of common stock and acquisitions or sales of shares of CNO stock by certain holders of our shares, including persons who have held, currently hold or may accumulate in the future five percent or more of our outstanding common stock for their own account. Many of these transactions are beyond our control. If an additional ownership change were to occur for purposes of Section 382, we would be required to calculate an annual restriction on the use of our NOLs to offset future taxable income. The annual restriction would be calculated based upon the value of CNO's equity at the time of such ownership change, multiplied by a federal long-term tax exempt rate (3.44 percent at March 31, 2024), and the annual restriction could limit our ability to use a substantial portion of our NOLs to offset future taxable income or may defer the utilization of such NOLs. We regularly monitor ownership change (as calculated for purposes of Section 382) and, as of March 31, 2024, we were below the 50 percent ownership change level that could limit our ability to utilize our NOLs.

We have \$1.3 billion of federal non-life NOLs as of March 31, 2024, as summarized below (dollars in millions):

| Year of expiration          | Net operating loss carryforwards |
|-----------------------------|----------------------------------|
| 2026                        | \$ 15.8                          |
| 2027                        | 10.8                             |
| 2028 through 2035           | 340.7                            |
| No expiration date          | 910.5                            |
| Total federal non-life NOLs | <hr/> \$ 1,277.8                 |

Our non-life NOLs with expiration dates can be used to offset 35 percent of life insurance company taxable income and 100 percent of non-life company taxable income until all non-life NOLs are utilized or expire. Our non-life NOLs with no expiration date can be used to offset 35 percent of life insurance company taxable income and 80 percent of non-life company taxable income.

We also had deferred tax assets related to NOLs for state income taxes of \$ 42.8 million and \$2.5 million at March 31, 2024 and December 31, 2023, respectively. The related state NOLs are available to offset future state taxable income in certain states and are expected to be fully utilized prior to expiration.

The Internal Revenue Service is conducting an examination of our 2016 through 2018 tax returns. The federal statute of limitations remains open with respect to tax years 2016 through 2023. The Company's various state income tax returns are generally open for tax years based on individual state statutes of limitation. Generally, for tax years which generate NOLs, capital losses or tax credit carryforwards, the statute remains open until the expiration of the statute of limitations for the tax year in which such carryforwards are utilized. The outcome of tax audits cannot be predicted with certainty. If the Company's tax audits are not resolved in a manner consistent with management's expectations, the Company may be required to adjust its provision for income taxes.

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**NOTES PAYABLE - DIRECT CORPORATE OBLIGATIONS**

The following notes payable were direct corporate obligations of the Company as of March 31, 2024 and December 31, 2023 (dollars in millions):

|  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| 5.250% Senior Notes due May 2025                 | \$ 500.0          | \$ 500.0             |
| 5.250% Senior Notes due May 2029                 | 500.0             | 500.0                |
| 5.125% Subordinated Debentures due November 2060 | 150.0             | 150.0                |
| Revolving Credit Agreement (as defined below)    | —                 | —                    |
| Unamortized debt issue costs                     | (9.0)             | (9.5)                |
| <b>Direct corporate obligations</b>              | <b>\$ 1,141.0</b> | <b>\$ 1,140.5</b>    |

***Revolving Credit Agreement***

The \$250.0 million revolving credit agreement (the "Revolving Credit Agreement"), among other things, (i) requires the Company to maintain (each as calculated in accordance with the Revolving Credit Agreement): (i) a debt to total capitalization ratio (excluding hybrid securities, except to the extent that the aggregate amount outstanding of all such hybrid securities exceeds an amount equal to 15 percent of total capitalization) of not more than 35.0 percent (such ratio was 21.4 percent at March 31, 2024); and (ii) a minimum consolidated net worth of not less than the sum of (x) \$ 2,674 million plus (y) 25.0 percent of the net equity proceeds received by the Company from the issuance and sale of equity interests in the Company (the Company's consolidated net worth was \$3,848.0 million at March 31, 2024 compared to the minimum requirement of \$ 2,697.2 million). The maturity date of the Revolving Credit Agreement is July 16, 2026. The Revolving Credit Agreement contains certain other restrictive covenants with which the Company must comply. The interest rate applicable to loans under the Revolving Credit Agreement is calculated as the Secured Overnight Financing Rate ("SOFR") (plus a credit spread adjustment of 0.10 percent for all available interest periods) or the base rate, at the Company's option, plus a margin based on the Company's unsecured debt rating. The margins under the Revolving Credit Agreement range from 1.375 percent to 2.125 percent, in the case of loans at the SOFR, and 0.375 percent to 1.125 percent, in the case of loans at the base rate. The commitment fee under the Revolving Credit Agreement is based on the Company's unsecured debt rating. There were no amounts outstanding under the Revolving Credit Agreement during the three months ended March 31, 2024.

**INVESTMENT BORROWINGS**

Three of the Company's insurance subsidiaries (Bankers Life and Casualty Company ("Bankers Life"), Washington National Insurance Company ("Washington National") and Colonial Penn Life Insurance Company ("Colonial Penn")) are members of the FHLB. As members of the FHLB, our insurance subsidiaries have the ability to borrow on a collateralized basis from the FHLB. We are required to hold certain minimum amounts of FHLB common stock as a condition of membership in the FHLB, and additional amounts based on the amount of the borrowings. At March 31, 2024, the carrying value of the FHLB common stock was \$94.6 million. As of March 31, 2024, collateralized borrowings from the FHLB totaled \$2.2 billion and the proceeds were used to purchase matched variable rate fixed maturity securities. The borrowings are classified as investment borrowings in the accompanying consolidated balance sheet. The borrowings are collateralized by investments with an estimated fair value of \$2.7 billion at March 31, 2024, which are maintained in a custodial account for the benefit of the FHLB. Substantially all of such investments are classified as fixed maturities, available for sale, in our consolidated balance sheet.

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The following summarizes the terms of the borrowings from the FHLB by our insurance subsidiaries (dollars in millions):

| Amount<br>borrowed | Maturity<br>date | Interest rate at<br>March 31, 2024 |
|--------------------|------------------|------------------------------------|
| \$ 15.5            | July 2024        | Fixed rate – 1.990%                |
| 27.0               | August 2024      | Fixed rate – .640%                 |
| 21.7               | May 2025         | Variable rate – 5.724%             |
| 17.9               | June 2025        | Fixed rate – 2.940%                |
| 12.5               | June 2025        | Variable rate – 5.900%             |
| 125.0              | September 2025   | Variable rate – 5.680%             |
| 100.0              | October 2025     | Variable rate – 5.865%             |
| 100.0              | October 2025     | Variable rate – 5.860%             |
| 57.7               | October 2025     | Variable rate – 5.830%             |
| 50.0               | November 2025    | Variable rate – 5.818%             |
| 12.5               | December 2025    | Variable rate – 5.916%             |
| 50.0               | January 2026     | Variable rate – 5.781%             |
| 50.0               | January 2026     | Variable rate – 5.763%             |
| 100.0              | January 2026     | Variable rate – 5.783%             |
| 15.0               | January 2026     | Variable rate – 5.997%             |
| 21.8               | May 2026         | Variable rate – 5.673%             |
| 50.0               | May 2026         | Variable rate – 5.600%             |
| 75.0               | December 2026    | Variable rate – 5.752%             |
| 75.0               | January 2027     | Variable rate – 5.683%             |
| 50.0               | January 2027     | Variable rate – 5.798%             |
| 50.0               | January 2027     | Variable rate – 5.798%             |
| 100.0              | January 2027     | Variable rate – 5.744%             |
| 100.0              | February 2027    | Variable rate – 5.770%             |
| 50.0               | April 2027       | Variable rate – 5.648%             |
| 50.0               | May 2027         | Variable rate – 5.658%             |
| 100.0              | June 2027        | Variable rate – 5.700%             |
| 10.0               | June 2027        | Variable rate – 5.923%             |
| 50.0               | July 2027        | Variable rate – 6.018%             |
| 50.0               | July 2027        | Variable rate – 6.028%             |
| 100.0              | August 2027      | Variable rate – 6.044%             |
| 75.0               | January 2028     | Variable rate – 5.784%             |
| 50.0               | January 2028     | Variable rate – 5.838%             |
| 50.0               | January 2028     | Variable rate – 5.855%             |
| 34.5               | February 2028    | Variable rate – 5.904%             |
| 100.0              | February 2028    | Variable rate – 5.825%             |
| 21.0               | February 2028    | Variable rate – 5.775%             |
| 22.0               | February 2028    | Variable rate – 5.818%             |
| 100.0              | February 2028    | Variable rate – 5.790%             |
| 15.0               | July 2028        | Variable rate – 5.710%             |
| 35.0               | August 2028      | Variable rate – 5.720%             |
| <b>\$ 2,189.1</b>  |                  |                                    |

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Generally, the variable and fixed rate borrowings are pre-payable. At March 31, 2024, the aggregate prepayment penalty on such outstanding borrowings was not material.

Interest expense of \$31.4 million and \$21.7 million in the first three months of 2024 and 2023, respectively, was recognized related to total borrowings from the FHLB, reflecting both higher interest rates on the variable rate investment borrowings and higher average borrowings outstanding in the 2024 period.

**SHAREHOLDERS' EQUITY**

In the first three months of 2024, we repurchased 1.5 million shares of common stock for \$40.0 million under our securities repurchase program (including \$0.8 million of repurchases settled in the second quarter of 2024). The Company had remaining repurchase authority of \$481.8 million as of March 31, 2024.

In the first three months of 2024, we issued 0.7 million shares of common stock, net of shares withheld to pay tax withholdings, pursuant to employee benefit plans.

In the first three months of 2024, dividends declared on common stock totaled \$ 16.4 million (\$0.15 per common share). In May 2024, the Company increased its quarterly common stock dividend to \$0.16 per share from \$0.15 per share.

Accumulated other comprehensive income (loss), included in shareholders' equity as of March 31, 2024 and December 31, 2023, is comprised of the following (dollars in millions):

|  | March 31,<br>2024          | December 31,<br>2023       |
|--|----------------------------|----------------------------|
| Net unrealized losses on investments having no allowance for credit losses | \$ (1,267.2)               | \$ (1,235.2)               |
| Unrealized losses on investments with an allowance for credit losses       | (1,006.3)                  | (931.0)                    |
| Change in discount rates for liability for future policy benefits          | 365.1                      | 133.4                      |
| Change in instrument-specific credit risk for market risk benefits         | 3.4                        | 4.8                        |
| Deferred income tax assets   | 424.7                      | 451.2                      |
| Accumulated other comprehensive loss                                       | <u><u>\$ (1,480.3)</u></u> | <u><u>\$ (1,576.8)</u></u> |

**LITIGATION AND OTHER LEGAL PROCEEDINGS****Legal Proceedings**

The Company and its subsidiaries are involved in various legal actions in the normal course of business, in which claims for compensatory and punitive damages are asserted, some for substantial amounts. We recognize an estimated loss from these loss contingencies when we believe it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Some of the pending matters have been filed as purported class actions and some actions have been filed in certain jurisdictions that permit punitive damage awards that are disproportionate to the actual damages incurred. The amounts sought in certain of these actions are often large or indeterminate and the ultimate outcome of certain actions is difficult to predict. In the event of an adverse outcome in one or more of these matters, there is a possibility that the ultimate liability may be in excess of the liabilities we have established and could have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, the resolution of pending or future litigation may involve modifications to the terms of outstanding insurance policies or could impact the timing and amount of rate increases, which could adversely affect the future profitability of the related insurance policies. Based upon information presently available, and in light of legal, factual and other defenses available to the Company and its subsidiaries, the Company does not believe that it is probable that the ultimate liability from either pending or threatened legal actions, after consideration of existing loss provisions, will have a material adverse effect on the Company's consolidated financial condition, operating results or cash flows. However, given the inherent difficulty in predicting the outcome of legal proceedings, there exists the possibility that such legal actions could have a material adverse effect on the Company's consolidated financial condition, operating results or cash flows.

In addition to the inherent difficulty of predicting litigation outcomes, particularly those that will be decided by a jury,

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some matters purport to seek substantial or an unspecified amount of damages for unsubstantiated conduct spanning several years based on complex legal theories and damages models. The alleged damages typically are indeterminate or not factually supported in the complaint, and, in any event, the Company's experience indicates that monetary demands for damages often bear little relation to the ultimate loss. In some cases, plaintiffs are seeking to certify classes in the litigation and class certification either has been denied or is pending and we have filed oppositions to class certification or sought to decertify a prior class certification. In addition, for many of these cases: (i) there is uncertainty as to the outcome of pending appeals or motions; (ii) there are significant factual issues to be resolved; and/or (iii) there are novel legal issues presented. Accordingly, the Company cannot reasonably estimate the possible loss or range of loss in excess of amounts accrued, if any, or predict the timing of the eventual resolution of these matters. The Company reviews these matters on an ongoing basis. When assessing reasonably possible and probable outcomes, the Company bases its assessment on the expected ultimate outcome following all appeals.

On June 7, 2019, Platinum Partners Value Arbitrage Fund L.P. (in Official Liquidation) ("PPVA"), the Joint Official Liquidators of PPVA (the "JOLs") and Principal Growth Strategies, LLC, ("PGS"), commenced suit against, among others, CNO Financial Group, Inc., Bankers Conseco Life Insurance Company ("BCLIC"), Washington National and 40|86 Advisors, Inc. (collectively, the "CNO Parties") in Delaware Chancery Court. Plaintiffs seek an unspecified amount of damages, costs, attorney's fees, and other relief as the court deems appropriate. Plaintiffs allege that the CNO Parties were unjustly enriched when they terminated BCLIC and Washington National's reinsurance agreements with BRe and recaptured assets from reinsurance trusts, in particular, Agera securities. Plaintiffs contend that the Agera securities were fraudulently transferred to the reinsurance trusts by other Platinum-related entities and they are seeking to claw back those Agera securities, or the value of those assets, from the CNO Parties. The CNO Parties had removed the case to the United States District Court for the District of Delaware but on April 6, 2020, the District Court granted the plaintiffs' motion to remand the case back to the Delaware Chancery Court. Plaintiffs have filed Amended Complaint and the CNO Parties have moved to dismiss the Amended Complaint. The Delaware Chancery Court denied the CNO Parties' motions to dismiss the Amended Complaint on the basis of forum non conveniens, but granted the CNO Parties' motion to stay the case pending the conclusion of a related matter. On December 1, 2023, the Delaware Chancery Court lifted the stay as of November 30, 2023. On January 25, 2024, the Delaware Chancery Court granted in part and denied in part the CNO Parties' motion to dismiss the Amended Complaint. Based on the Court's ruling, PPVA and the JOLs' claims against the CNO Parties were dismissed. On April 9, 2024, PGS filed a second amended complaint, which contains the same claims against the CNO Parties that PGS had previously asserted. The CNO Parties are vigorously contesting PGS's claims.

On October 5, 2012, plaintiffs William Jeffrey Burnett and Joe H. Camp commenced an action entitled *Burnett v. Conseco Life Ins. Co.* against, among others, CNO Financial Group, Inc. and CNO Services, LLC (collectively, the "CNO Entities") in the United States District Court for the Central District of California on behalf of a putative class of former interest-sensitive whole life insurance policyholders who surrendered their policies or let them lapse. Plaintiffs' first amended complaint alleges that the CNO Entities are liable under an alter ego theory for Conseco Life Insurance Company's purported breach of the optional premium payment provision (the "Optional Premium Payment") of plaintiffs' insurance policies. In January 2018, the case was transferred to the United States District Court for the Southern District of Indiana. On August 17, 2020, the Court denied the CNO Entities' motions to dismiss. On January 13, 2021, the Court granted final approval of a class action settlement between plaintiffs and co-defendant Conseco Life Insurance Company (n/k/a Wilco Life Insurance Company). The case remains pending against the CNO Entities. On March 25, 2022, the Court certified a Rule 23(b)(3) class of under 2,000 policyholders who invoked the policy's Optional Premium Payment prior to October 2008 and who surrendered their policies between October 7, 2008 and September 1, 2011. The Court's certification order acknowledged the existence of individualized issues of causation and damages, which the Court stated could be addressed in individualized proceedings following a class trial on the alter ego allegations and the meaning of the subject insurance policy language. The CNO Entities continue to vigorously defend the case.

**Regulatory Examinations and Fines**

Insurance companies face significant risks related to regulatory investigations and actions. Regulatory investigations generally result from matters related to sales or underwriting practices, payment of contingent or other sales commissions, claim payments and procedures, product design, product disclosure, additional premium charges for premiums paid on a periodic basis, denial or delay of benefits, charging excessive or impermissible fees on products, procedures related to canceling policies, changing the way cost of insurance charges are calculated for certain life insurance products or recommending unsuitable products to customers. We are, in the ordinary course of our business, subject to various examinations, inquiries and

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information requests from state, federal and other authorities. The ultimate outcome of these regulatory actions (including the costs of complying with information requests and policy reviews) cannot be predicted with certainty. In the event of an unfavorable outcome in one or more of these matters, the ultimate liability may be in excess of liabilities we have established and we could suffer significant reputational harm as a result of these matters, which could also have a material adverse effect on our business, financial condition, results of operations or cash flows.

**CONSOLIDATED STATEMENT OF CASH FLOWS**

The following reconciles net income (loss) to net cash from operating activities (dollars in millions):

|   | Three months ended    |                       |
|---|-----------------------|-----------------------|
|   | March 31,             | 2024                  |
|   | 2024                  | 2023                  |
| <b>Cash flows from operating activities:</b>                                      |                       |                       |
| Net income (loss)   | \$ 112.3              | \$ (.8)               |
| Adjustments to reconcile net income (loss) to net cash from operating activities: |                       |                       |
| Amortization and depreciation   | 70.4                  | 65.7                  |
| Income taxes  | 23.8                  | (6.4)                 |
| Insurance liabilities   | 156.6                 | 173.3                 |
| Accrual, amortization and fair value changes included in investment income        | (134.8)               | (27.9)                |
| Deferral of policy acquisition costs  | (103.2)               | (89.8)                |
| Net investment (gains) losses   | (7.8)                 | 14.6                  |
| Other (a)   | (22.7)                | (46.8)                |
| Net cash from operating activities  | <u><u>\$ 94.6</u></u> | <u><u>\$ 81.9</u></u> |

(a) Primarily relates to: (i) changes in other assets and liabilities related to the timing of payments and receipts; and (ii) the change in fair value of the deferred compensation plan liability.

Other non-cash items not reflected in the investing and financing activities sections of the consolidated statement of cash flows (dollars in millions):

|  | Three months ended |        |
|--|--------------------|--------|
|  | March 31,          | 2024   |
|  | 2024               | 2023   |
| <b>Amounts related to employee benefit plans</b> |                    |        |
| Amounts related to employee benefit plans        | \$ 6.1             | \$ 6.5 |

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**INVESTMENTS IN VARIABLE INTEREST ENTITIES**

We have concluded that we are the primary beneficiary with respect to certain VIEs, which are consolidated in our financial statements. In consolidating the VIEs, we consistently use the financial information most recently distributed to investors in the VIE.

All of the VIEs are collateralized loan trusts that were established to issue securities to finance the purchase of corporate loans and other permitted investments. The assets held by the trusts are legally isolated and not available to the Company. The liabilities of the VIEs are expected to be satisfied from the cash flows generated by the underlying loans held by the trusts, not from the assets of the Company. The Company has no financial obligation to the VIEs beyond its investment in each VIE.

Certain of our subsidiaries are noteholders of the VIEs. Another subsidiary of the Company is the investment manager for the VIEs. As such, it has the power to direct the most significant activities of the VIEs which materially impacts the economic performance of the VIEs.

The following tables provide supplemental information about the assets and liabilities of the VIEs which have been consolidated in accordance with authoritative guidance (dollars in millions):

|  | March 31, 2024  |                   |  |
|--|-----------------|-------------------|--|
|  | VIEs            | Eliminations      | Net effect on consolidated balance sheet |
| <b>Assets:</b>   |                 |                   |  |
| Investments held by variable interest entities               | \$ 533.4        | \$ —              | \$ 533.4                                 |
| Notes receivable of VIEs held by subsidiaries                | —               | (104.9)           | (104.9)                                  |
| Cash and cash equivalents held by variable interest entities | 83.5            | —                 | 83.5                                     |
| Accrued investment income                                    | 1.7             | —                 | 1.7                                      |
| Income tax assets, net                                       | 12.5            | —                 | 12.5                                     |
| Other assets   | .9              | (.5)              | .4                                       |
| <b>Total assets</b>  | <b>\$ 632.0</b> | <b>\$ (105.4)</b> | <b>\$ 526.6</b>                          |
| <b>Liabilities:</b>  |                 |                   |  |
| Other liabilities  | \$ 11.0         | \$ (2.9)          | \$ 8.1                                   |
| Borrowings related to variable interest entities             | 565.5           | —                 | 565.5                                    |
| Notes payable of VIEs held by subsidiaries                   | 106.1           | (106.1)           | —  |
| <b>Total liabilities</b>                                     | <b>\$ 682.6</b> | <b>\$ (109.0)</b> | <b>\$ 573.6</b>                          |

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|  | December 31, 2023 |                   |                 |  |
|--|-------------------|-------------------|-----------------|--|
|  | VIEs              | Eliminations      |                 | Net effect on<br>consolidated<br>balance sheet |
| <b>Assets:</b>   |                   |                   |                 |  |
| Investments held by variable interest entities               | \$ 768.6          | \$ —              | \$ 768.6        |  |
| Notes receivable of VIEs held by subsidiaries                | —                 | (113.8)           | (113.8)         |  |
| Cash and cash equivalents held by variable interest entities | 114.5             | —                 | 114.5           |  |
| Accrued investment income                                    | 2.7               | —                 | 2.7             |  |
| Income tax assets, net                                       | 13.0              | —                 | 13.0            |  |
| Other assets   | —                 | (7)               | (7)             |  |
| <b>Total assets</b>  | <b>\$ 898.8</b>   | <b>\$ (114.5)</b> | <b>\$ 784.3</b> |  |
| <b>Liabilities:</b>  |                   |                   |                 |  |
| Other liabilities  | \$ 14.6           | \$ (2.2)          | \$ 12.4         |  |
| Borrowings related to variable interest entities             | 820.8             | —                 | 820.8           |  |
| Notes payable of VIEs held by subsidiaries                   | 126.1             | (126.1)           | —               |  |
| <b>Total liabilities</b>                                     | <b>\$ 961.5</b>   | <b>\$ (128.3)</b> | <b>\$ 833.2</b> |  |

The investment portfolios held by the VIEs are primarily comprised of commercial bank loans to corporate obligors which are almost entirely rated below-investment grade. At March 31, 2024, such loans had an amortized cost of \$547.2 million; gross unrealized gains of \$1.7 million; gross unrealized losses of \$11.2 million; allowance for credit losses of \$4.3 million; and an estimated fair value of \$533.4 million.

The following table summarizes changes in the allowance for credit losses related to corporate securities held by VIEs for the three months ended March 31, 2024 and 2023 (dollars in millions):

|  | Three months ended<br>March 31, |               |
|--|---------------------------------|---------------|
|  | 2024                            | 2023          |
| Allowance at the beginning of the period   | \$ 3.1                          | \$ 5.5        |
| Additions for securities for which credit losses were not previously recorded    | .3                              | .3            |
| Additions (reductions) for securities where an allowance was previously recorded | 1.7                             | (7)           |
| Reduction for securities sold during the period                                  | (8)                             | (1.6)         |
| <b>Allowance at the end of the period</b>  | <b>\$ 4.3</b>                   | <b>\$ 3.5</b> |

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The following table sets forth the amortized cost and estimated fair value of the investments held by the VIEs at March 31, 2024, by contractual maturity. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties.

|  | Amortized<br>cost      | Estimated<br>fair<br>value |
|--|------------------------|----------------------------|
| (Dollars in millions)                  |                        |                            |
| Due in one year or less                | \$ 13.7                | \$ 13.2                    |
| Due after one year through five years  | 506.7                  | 493.5                      |
| Due after five years through ten years | 26.8                   | 26.7                       |
| Total                                  | <u><u>\$ 547.2</u></u> | <u><u>\$ 533.4</u></u>     |

During the first three months of 2024, the VIEs recognized investment losses of \$ 3.6 million which were comprised of: (i) \$ 6.2 million of net losses from the sales of fixed maturities; (ii) \$ 3.8 million of gains related to the liquidation of a VIE; and (iii) an increase in the allowance for credit losses of \$1.2 million. Such net realized losses included gross realized losses of \$6.9 million from the sale of \$ 81.3 million of investments. During the first three months of 2023, the VIEs recognized net investment losses of \$0.6 million which were comprised of: (i) \$ 2.6 million of net losses from the sales of fixed maturities; and (ii) a decrease in the allowance for credit losses of \$ 2.0 million. Such net realized losses included gross realized losses of \$0.8 million from the sale of \$11.7 million of investments.

At March 31, 2024, there were no fixed maturity investments held by the VIEs in default.

At March 31, 2024, the VIEs held: (i) investments (for which an allowance for credit losses has not been recorded) with a fair value of \$ 35.7 million and gross unrealized losses not deemed to have credit losses of \$ 0.1 million that had been in an unrealized loss position for less than twelve months; and (ii) investments (for which an allowance for credit losses has not been recorded) with a fair value of \$171.2 million and gross unrealized losses not deemed to have credit losses of \$3.1 million that had been in an unrealized loss position for twelve months or greater.

At December 31, 2023, the VIEs held: (i) investments (for which an allowance for credit losses has not been recorded) with a fair value of \$ 24.8 million and gross unrealized losses of \$ 0.1 million that had been in an unrealized loss position for less than twelve months; and (ii) investments (for which an allowance for credit losses has not been recorded) with a fair value of \$302.3 million and gross unrealized losses of \$ 8.7 million that had been in an unrealized loss position for twelve months or greater.

The investments held by the VIEs are evaluated for impairment in a manner that is consistent with the Company's fixed maturities, available for sale.

In addition, the Company, in the normal course of business, makes passive investments in structured securities issued by VIEs for which the Company is not the investment manager. These structured securities include asset-backed securities, collateralized loan obligations, commercial mortgage-backed securities, agency residential mortgage-backed securities and non-agency residential mortgage-backed securities. Our maximum exposure to loss on these securities is limited to our cost basis in the investment. We have determined that we are not the primary beneficiary of these structured securities due to the relative size of our investment in comparison to the total principal amount of the individual structured securities and the level of credit subordination which reduces our obligation to absorb gains or losses.

At March 31, 2024, we held investments in various limited partnerships and hedge funds, in which we are not the primary beneficiary, totaling \$ 490.4 million (classified as other invested assets). At March 31, 2024, we had unfunded commitments to these partnerships totaling \$373.1 million. Our maximum exposure to loss on these investments is limited to the amount of our investment.

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**FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and, therefore, represents an exit price, not an entry price. We carry certain assets and liabilities at fair value on a recurring basis, including fixed maturities, equity securities, trading securities, investments held by VIEs, derivatives, separate account assets and embedded derivatives. We carry our COLI, which is invested in a series of mutual funds, at its cash surrender value which approximates fair value. In addition, we disclose fair value for certain financial instruments that are not carried at fair value, including mortgage loans, policy loans, cash and cash equivalents, insurance liabilities for interest-sensitive products and funding agreements, investment borrowings, notes payable and borrowings related to VIEs.

The degree of judgment utilized in measuring the fair value of financial instruments is largely dependent on the level to which pricing is based on observable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect our view of market assumptions in the absence of observable market information. Financial instruments with readily available active quoted prices would be considered to have fair values based on the highest level of observable inputs, and little judgment would be utilized in measuring fair value. Financial instruments that rarely trade would often have fair value based on a lower level of observable inputs, and more judgment would be utilized in measuring fair value.

**Valuation Hierarchy**

There is a three-level hierarchy for valuing assets or liabilities at fair value based on whether inputs are observable or unobservable.

- Level 1 – includes assets and liabilities valued using inputs that are unadjusted quoted prices in active markets for identical assets or liabilities. Our Level 1 assets primarily include cash and cash equivalents and exchange-traded securities.
- Level 2 – includes assets and liabilities valued using inputs that are quoted prices for similar assets in an active market, quoted prices for identical or similar assets in a market that is not active, observable inputs, or observable inputs that can be corroborated by market data. Level 2 assets and liabilities include those financial instruments that are valued by independent pricing services using models or other valuation methodologies. These models consider various inputs such as credit rating, maturity, corporate credit spreads, reported trades and other inputs that are observable or derived from observable information in the marketplace or are supported by transactions executed in the marketplace. Financial assets in this category primarily include: certain publicly registered and privately placed corporate fixed maturity securities; certain government or agency securities; certain mortgage and asset-backed securities; certain equity securities; most investments held by our consolidated VIEs; and derivatives such as call options. Financial liabilities in this category include investment borrowings, notes payable and borrowings related to VIEs.
- Level 3 – includes assets and liabilities valued using unobservable inputs that are used in model-based valuations that contain management assumptions. Level 3 assets and liabilities include those financial instruments whose fair value is estimated based on broker/dealer quotes, pricing services or internally developed models or methodologies utilizing significant inputs not based on, or corroborated by, readily available market information. Financial assets in this category include certain corporate securities, certain structured securities, mortgage loans, and other less liquid securities. Financial liabilities in this category include our insurance liabilities for interest-sensitive products, which includes embedded derivatives (including embedded derivatives related to our fixed indexed annuity products and to a modified coinsurance arrangement), and funding agreements since their values include significant unobservable inputs including actuarial assumptions.

At each reporting date, we classify assets and liabilities into the three input levels based on the lowest level of input that is significant to the measurement of fair value for each asset and liability reported at fair value. This classification is impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and overall market conditions. Our assessment of the significance of a particular input to the fair value measurement and the ultimate classification of each asset and liability requires judgment and is subject to change from period to period based on the observability of the valuation inputs.

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The vast majority of our assets carried at fair value use Level 2 inputs for the determination of fair value. These fair values are obtained primarily from independent pricing services, which use Level 2 inputs for the determination of fair value. Our Level 2 assets are valued as follows:

- Fixed maturities available for sale, equity securities and trading securities

*Corporate securities* are generally priced using market and income approaches using independent pricing services. Inputs generally consist of trades of identical or similar securities, quoted prices in inactive markets, issuer rating, benchmark yields, maturity and credit spreads.

*U.S. Treasuries and obligations of U.S. Government corporations and agencies* are generally priced using the market approach. Inputs generally consist of trades of identical or similar securities, quoted prices in inactive markets and maturity.

*States and political subdivisions* are generally priced using the market approach using independent pricing services. Inputs generally consist of trades of identical or similar securities, quoted prices in inactive markets, new issuances and credit spreads.

*Foreign governments* are generally priced using the market approach using independent pricing services. Inputs generally consist of trades of identical or similar securities, quoted prices in inactive markets, new issuances, benchmark yields, credit spreads and issuer rating.

*Asset-backed securities, agency and non-agency residential mortgage-backed securities, collateralized loan obligations and commercial mortgage-backed securities* are generally priced using market and income approaches using independent pricing services. Inputs generally consist of quoted prices in inactive markets, spreads on actively traded securities, expected prepayments, expected default rates, expected recovery rates and issue specific information including, but not limited to, collateral type, seniority and vintage.

*Equity securities* are generally priced using the market approach. Inputs generally consist of trades of identical or similar securities, quoted prices in inactive markets, issuer rating, benchmark yields, maturity and credit spreads.

- Investments held by VIEs

*Corporate securities* are generally priced using market and income approaches using pricing vendors. Inputs generally consist of issuer rating, benchmark yields, maturity, and credit spreads.

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• Other invested assets - derivatives

The fair value measurements for derivative instruments, including embedded derivatives requiring bifurcation, are determined based on the consideration of several inputs including closing exchange or over-the-counter market price quotes, time value and volatility factors underlying options, market interest rates and non-performance risk.

Third-party pricing services normally derive security prices through recently reported trades for identical or similar securities making adjustments through the reporting date based upon available market observable information. If there are no recently reported trades, the third-party pricing services may use matrix or model processes to develop a security price where future cash flow expectations are discounted at an estimated risk-adjusted market rate. The number of prices obtained for a given security is dependent on the Company's analysis of such prices as further described below.

As the Company is responsible for the determination of fair value, we have control processes designed to ensure that the fair values received from third-party pricing sources are reasonable and the valuation techniques and assumptions used appear reasonable and consistent with prevailing market conditions. Additionally, when inputs are provided by third-party pricing sources, we have controls in place to review those inputs for reasonableness. As part of these controls, we perform monthly quantitative and qualitative analysis on the prices received from third parties to determine whether the prices are reasonable estimates of fair value. The Company's analysis includes: (i) a review of the methodology used by third-party pricing services; (ii) where available, a comparison of multiple pricing services' valuations for the same security; (iii) a review of month to month price fluctuations; (iv) a review to ensure valuations are not unreasonably dated; and (v) back testing to compare actual purchase and sale transactions with valuations received from third parties. As a result of such procedures, the Company may conclude a particular price received from a third party is not reflective of current market conditions. In those instances, we may request additional pricing quotes or apply internally developed valuations. However, the number of such instances is insignificant and the aggregate change in value of such investments is not materially different from the original prices received.

The categorization of the fair value measurements of our investments priced by independent pricing services was based upon the Company's judgment of the inputs or methodologies used by the independent pricing services to value different asset classes. Such inputs typically include: benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities, bids, offers and other relevant data. The Company categorizes such fair value measurements based upon asset classes and the underlying observable or unobservable inputs used to value such investments.

For securities that are not priced by pricing services and may not be reliably priced using pricing models, we obtain broker quotes. These broker quotes are non-binding and represent an exit price, but assumptions used to establish the fair value may not be observable and therefore represent Level 3 inputs. Approximately 93 percent of our Level 3 fixed maturity securities and trading securities were valued using unadjusted broker quotes or broker-provided valuation inputs. The remaining Level 3 fixed maturity investments do not have readily determinable market prices and/or observable inputs. For these securities, we use internally developed valuations. Key assumptions used to determine fair value for these securities may include risk premiums, projected performance of underlying collateral and other factors involving significant assumptions which may not be reflective of an active market. For certain investments, we use a matrix or model process to develop a security price where future cash flow expectations are discounted at an estimated market rate. The pricing matrix incorporates term interest rates as well as a spread level based on the issuer's credit rating, other factors relating to the issuer, and the security's maturity. In some instances issuer-specific spread adjustments, which can be positive or negative, are made based upon internal analysis of security specifics such as liquidity, deal size, and time to maturity.

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The categorization of fair value measurements, by input level, for our financial instruments carried at fair value on a recurring basis at March 31, 2024 is as follows (dollars in millions):

|  | Quoted prices in<br>active markets<br>for identical<br>assets or liabilities<br>(Level 1) | Significant other<br>observable<br>inputs<br>(Level 2) | Significant<br>unobservable<br>inputs<br>(Level 3) | Total              |
|--|---|--|--|--------------------|
| <b>Assets:</b>   |   |  |  |                    |
| Fixed maturities, available for sale:  |   |  |  |                    |
| Corporate securities   | \$ —  | \$ 11,491.4  | \$ 147.5   | \$ 11,638.9        |
| United States Treasury securities and obligations of<br>United States government corporations and agencies | —   | 214.4  | —  | 214.4              |
| States and political subdivisions  | —   | 2,703.4  | —  | 2,703.4            |
| Foreign governments  | —   | 82.3   | —  | 82.3               |
| Asset-backed securities  | —   | 1,428.3  | 25.6   | 1,453.9            |
| Agency residential mortgage-backed securities  | —   | 687.7  | —  | 687.7              |
| Non-agency residential mortgage-backed securities  | —   | 1,559.8  | —  | 1,559.8            |
| Collateralized loan obligations  | —   | 1,145.6  | —  | 1,145.6            |
| Commercial mortgage-backed securities  | —   | 2,162.1  | —  | 2,162.1            |
| Total fixed maturities, available for sale   | —   | 21,475.0   | 173.1  | 21,648.1           |
| Equity securities - corporate securities   | <u>45.8</u>   | —  | 72.6   | 118.4              |
| Trading securities:  |   |  |  |                    |
| Asset-backed securities  | —   | 31.2   | —  | 31.2               |
| Agency residential mortgage-backed securities  | —   | 3.4  | —  | 3.4                |
| Non-agency residential mortgage-backed securities  | —   | 57.4   | —  | 57.4               |
| Collateralized loan obligations  | —   | 9.1  | —  | 9.1                |
| Commercial mortgage-backed securities  | —   | 121.7  | —  | 121.7              |
| Total trading securities   | —   | 222.8  | —  | 222.8              |
| Investments held by variable interest entities - corporate<br>securities                                   | —   | 533.4  | —  | 533.4              |
| Other invested assets:   |   |  |  |                    |
| Derivatives  | —   | 355.0  | —  | 355.0              |
| Residual tranches  | —   | 2.6  | 52.2   | 54.8               |
| Total other invested assets  | —   | 357.6  | 52.2   | 409.8              |
| Market risk benefit asset  | —   | —  | 84.1   | 84.1               |
| Assets held in separate accounts   | —   | 3.3  | —  | 3.3                |
| Total assets carried at fair value by category   | <u>\$ 45.8</u>  | <u>\$ 22,592.1</u>                                     | <u>\$ 382.0</u>                                    | <u>\$ 23,019.9</u> |
| <b>Liabilities:</b>  |   |  |  |                    |
| Market risk benefit liability  | \$ —  | \$ —   | \$ 3.8   | \$ 3.8             |
| Embedded derivatives associated with fixed indexed<br>annuity products                                     | —   | —  | 1,426.8  | 1,426.8            |
| Total liabilities carried at fair value by category  | <u>\$ —</u>   | <u>\$ —</u>  | <u>\$ 1,430.6</u>                                  | <u>\$ 1,430.6</u>  |

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The categorization of fair value measurements, by input level, for our financial instruments carried at fair value on a recurring basis at December 31, 2023 is as follows (dollars in millions):

|   | Quoted prices<br>in active markets | Significant other<br>observable inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) | Total              |
|---|------------------------------------|---|---|--------------------|
| <b>Assets:</b>  |                                    |   |   |                    |
| Fixed maturities,<br>available for sale:  |                                    |   |   |                    |
| Corporate securities  | \$ —                               | \$ 11,678.2   | \$ 159.3  | \$ 11,837.5        |
| United States Treasury securities and obligations of United States government corporations and agencies | —                                  | 194.4   | —   | 194.4              |
| States and political subdivisions   | —                                  | 2,566.7   | —   | 2,566.7            |
| Foreign governments   | —                                  | 83.1  | —   | 83.1               |
| Asset-backed securities   | —                                  | 1,346.9   | 25.5  | 1,372.4            |
| Agency residential mortgage-backed securities   | —                                  | 648.0   | —   | 648.0              |
| Non-agency residential mortgage-backed securities   | —                                  | 1,553.2   | —   | 1,553.2            |
| Collateralized loan obligations   | —                                  | 1,032.8   | —   | 1,032.8            |
| Commercial mortgage-backed securities   | —                                  | 2,205.0   | 13.1  | 2,218.1            |
| Total fixed maturities, available for sale  | —                                  | 21,308.3  | 197.9   | 21,506.2           |
| Equity securities - corporate securities  | 24.2                               | —   | 72.7  | 96.9               |
| Trading securities:   |                                    |   |   |                    |
| Asset-backed securities   | —                                  | 32.8  | —   | 32.8               |
| Agency residential mortgage-backed securities   | —                                  | 3.5   | —   | 3.5                |
| Non-agency residential mortgage-backed securities   | —                                  | 58.5  | —   | 58.5               |
| Collateralized loan obligations   | —                                  | 9.0   | —   | 9.0                |
| Commercial mortgage-backed securities   | —                                  | 118.9   | —   | 118.9              |
| Total trading securities  | —                                  | 222.7   | —   | 222.7              |
| Investments held by variable interest entities - corporate securities                                   | —                                  | 768.6   | —   | 768.6              |
| Other invested assets:  |                                    |   |   |                    |
| Derivatives   | —                                  | 239.2   | —   | 239.2              |
| Residual tranches   | —                                  | 7.5   | 31.5  | 39.0               |
| Total other invested assets   | —                                  | 246.7   | 31.5  | 278.2              |
| Market risk benefit asset   | —                                  | —   | 75.4  | 75.4               |
| Assets held in separate accounts  | —                                  | 3.1   | —   | 3.1                |
| Total assets carried at fair value by category  | <u>\$ 24.2</u>                     | <u>\$ 22,549.4</u>                                  | <u>\$ 377.5</u>                                 | <u>\$ 22,951.1</u> |
| <b>Liabilities:</b>   |                                    |   |   |                    |
| Market risk benefit liability   | \$ —                               | \$ —  | \$ 7.4  | \$ 7.4             |
| Embedded derivatives associated with fixed indexed annuity products                                     | —                                  | —   | 1,376.7   | 1,376.7            |
| Total liabilities carried at fair value by category   | <u>\$ —</u>                        | <u>\$ —</u>   | <u>\$ 1,384.1</u>                               | <u>\$ 1,384.1</u>  |

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The fair value of our financial instruments not carried at fair value on a recurring basis are as follows (dollars in millions):

|  | March 31, 2024   |  |   |                               |                          |  |
|--|--|--|---|-------------------------------|--------------------------|--|
|  | Quoted<br>prices in active<br>markets for<br>identical assets or<br>liabilities<br>(Level 1) | Significant<br>other observable<br>inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) | Total estimated<br>fair value | Total carrying<br>amount |  |
| <b>Assets:</b>                                   |  |  |   |                               |                          |  |
| Mortgage loans                                   | \$ —   | \$ —   | \$ 1,930.8                                      | \$ 1,930.8                    | \$ 2,087.1               |  |
| Policy loans                                     | —  | —  | 130.3   | 130.3                         | 130.3                    |  |
| Other invested assets:                           |  |  |   |                               |                          |  |
| Company-owned life insurance                     | —  | 305.2  | —   | 305.2                         | 305.2                    |  |
| Cash and cash equivalents:                       |  |  |   |                               |                          |  |
| Unrestricted                                     | 566.3  | —  | —   | 566.3                         | 566.3                    |  |
| Held by variable interest entities               | 83.5   | —  | —   | 83.5                          | 83.5                     |  |
| <b>Liabilities:</b>                              |  |  |   |                               |                          |  |
| Policyholder account balances                    | —  | —  | 15,736.7  | 15,736.7                      | 15,736.7                 |  |
| Future policy benefits                           | —  | —  | (218.4)   | (218.4)                       | (218.4)                  |  |
| Investment borrowings                            | —  | 2,189.8  | —   | 2,189.8                       | 2,189.1                  |  |
| Borrowings related to variable interest entities | —  | 564.3  | —   | 564.3                         | 565.5                    |  |
| Notes payable – direct corporate obligations     | —  | 1,115.8  | —   | 1,115.8                       | 1,141.0                  |  |

|  | December 31, 2023  |  |   |                                  |                             |  |
|--|--|--|---|----------------------------------|-----------------------------|--|
|  | Quoted<br>prices in<br>active<br>markets for<br>identical<br>assets or<br>liabilities<br>(Level 1) | Significant<br>other observable<br>inputs<br>(Level 2) | Significant<br>unobservable inputs<br>(Level 3) | Total<br>estimated<br>fair value | Total<br>carrying<br>amount |  |
| <b>Assets:</b>                                   |  |  |   |                                  |                             |  |
| Mortgage loans                                   | \$ —   | \$ —   | \$ 1,926.9                                      | \$ 1,926.9                       | \$ 2,064.1                  |  |
| Policy loans                                     | —  | —  | 128.5   | 128.5                            | 128.5                       |  |
| Other invested assets:                           |  |  |   |                                  |                             |  |
| Company-owned life insurance                     | —  | 303.0  | —   | 303.0                            | 303.0                       |  |
| Cash and cash equivalents:                       |  |  |   |                                  |                             |  |
| Unrestricted                                     | 774.5  | —  | —   | 774.5                            | 774.5                       |  |
| Held by variable interest entities               | 114.5  | —  | —   | 114.5                            | 114.5                       |  |
| <b>Liabilities:</b>                              |  |  |   |                                  |                             |  |
| Policyholder account balances                    | —  | —  | 15,667.8  | 15,667.8                         | 15,667.8                    |  |
| Future policy benefits                           | —  | —  | (274.9)   | (274.9)                          | (274.9)                     |  |
| Investment borrowings                            | —  | 2,190.2  | —   | 2,190.2                          | 2,189.3                     |  |
| Borrowings related to variable interest entities | —  | 814.8  | —   | 814.8                            | 820.8                       |  |
| Notes payable – direct corporate obligations     | —  | 1,097.3  | —   | 1,097.3                          | 1,140.5                     |  |

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
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The following table presents additional information about assets measured at fair value on a recurring basis and for which we have utilized significant unobservable (Level 3) inputs to determine fair value for the three months ended March 31, 2024 (dollars in millions):

|  |          |        |        |          |      |           |          |        |          | March 31, 2024 |  |                    |  |
|--|----------|--------|--------|----------|------|-----------|----------|--------|----------|----------------|--|--------------------|--|
|  |          |        |        |          |      |           |          |        |          |                |  | Amount of          |  |
|  |          |        |        |          |      |           |          |        |          |                |  | total gains        |  |
|  |          |        |        |          |      |           |          |        |          |                |  | (losses) for       |  |
|  |          |        |        |          |      |           |          |        |          |                |  | the three          |  |
|  |          |        |        |          |      |           |          |        |          |                |  | months             |  |
|  |          |        |        |          |      |           |          |        |          |                |  | ended March        |  |
|  |          |        |        |          |      |           |          |        |          |                |  | 2024 included in   |  |
|  |          |        |        |          |      |           |          |        |          |                |  | 31, 2024           |  |
|  |          |        |        |          |      |           |          |        |          |                |  | accumulated        |  |
|  |          |        |        |          |      |           |          |        |          |                |  | included in        |  |
|  |          |        |        |          |      |           |          |        |          |                |  | our net            |  |
|  |          |        |        |          |      |           |          |        |          |                |  | comprehensive      |  |
|  |          |        |        |          |      |           |          |        |          |                |  | income             |  |
|  |          |        |        |          |      |           |          |        |          |                |  | income (loss)      |  |
|  |          |        |        |          |      |           |          |        |          |                |  | relating to        |  |
|  |          |        |        |          |      |           |          |        |          |                |  | relating to assets |  |
|  |          |        |        |          |      |           |          |        |          |                |  | assets still       |  |
|  |          |        |        |          |      |           |          |        |          |                |  | held as of         |  |
|  |          |        |        |          |      |           |          |        |          |                |  | still held as of   |  |
|  |          |        |        |          |      |           |          |        |          |                |  | the reporting      |  |
|  |          |        |        |          |      |           |          |        |          |                |  | date               |  |
| <b>Assets:</b>                             |          |        |        |          |      |           |          |        |          |                |  |                    |  |
| Fixed maturities, available for sale:      |          |        |        |          |      |           |          |        |          |                |  |                    |  |
| Corporate securities                       | \$ 159.3 | \$ 6.7 | \$ 4.4 | \$ (5.9) | \$ — | \$ (17.0) | \$ 147.5 | \$ 4.4 | \$ (6.7) |                |  |                    |  |
| Asset-backed securities                    | 25.5     | (.2)   | —      | .3       | —    | —         | 25.6     | —      | .2       |                |  |                    |  |
| Commercial mortgage-backed securities      | 13.1     | —      | —      | —        | —    | (13.1)    | —        | —      | —        |                |  |                    |  |
| Total fixed maturities, available for sale | 197.9    | 6.5    | 4.4    | (5.6)    | —    | (30.1)    | 173.1    | 4.4    | (6.5)    |                |  |                    |  |
| Equity securities - corporate securities   | 72.7     | —      | (.1)   | —        | —    | —         | 72.6     | (.1)   | —        |                |  |                    |  |
| Other invested assets - residual tranches  | 31.5     | 7.9    | 6.4    | —        | 6.4  | —         | 52.2     | 6.4    | —        |                |  |                    |  |

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
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(a) Transfers into Level 3 are the result of unobservable inputs utilized within valuation methodologies for assets that were previously valued using observable inputs. Transfers out of Level 3 are due to the use of observable inputs in valuation methodologies as well as the utilization of pricing service information for certain assets that the Company is able to validate.  
(b) Purchases, sales, issuances and settlements, net, represent the activity that occurred during the period that results in a change of the asset but does not represent changes in fair value for the instruments held at the beginning of the period. Such activity primarily consists of purchases and sales of fixed maturity and equity securities. The following summarizes such activity for the three months ended March 31, 2024 (dollars in millions):

|  | Purchases, | Sales  | Issuances | Settlements | and    | settlements, net |
|--|------------|--------|-----------|-------------|--------|------------------|
| <b>Assets:</b>                                   |            |        |           |             |        |                  |
| Fixed maturities,<br>available for sale:         |            |        |           |             |        |                  |
| Corporate securities                             | \$ 6.8     | \$ (1) | \$ —      | \$ —        | \$ 6.7 |                  |
| Asset-backed<br>securities                       | —          | (2)    | —         | —           | —      | (2)              |
| Total fixed<br>maturities, available<br>for sale | 6.8        | (3)    | —         | —           | —      | 6.5              |
| Other invested assets -<br>residual tranches     | 9.2        | (1.3)  | —         | —           | —      | 7.9              |

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The following table presents additional information about assets measured at fair value on a recurring basis and for which we have utilized significant unobservable (Level 3) inputs to determine fair value for the three months ended March 31, 2023 (dollars in millions):

| March 31, 2023  |          |   |                                   |   |                               |                                 |   |  |  |   | Amount of<br>total gains<br>(losses) for the<br>three months<br>ended March<br>31, 2023 |   |  |
|---|----------|---|-----------------------------------|---|-------------------------------|---------------------------------|---|--|--|---|---|---|--|
| Beginning<br>balance as of<br>December 31, 2022                                     |          |   |                                   |   |                               |                                 |   |  |  |   | Ending<br>balance as of March<br>31, 2023   | Ending<br>assets still held<br>as of the<br>reporting date                              | Ending<br>assets still held<br>as of the<br>reporting date |
|   |          | Total<br>realized and<br>unrealized gains   | Total<br>realized and<br>(losses) | Total<br>realized and<br>unrealized gains | Transfers<br>into Level 3 (a) | Transfers<br>out of Level 3 (a) | Ending<br>balance as of March<br>31, 2023 | Ending<br>assets still held<br>as of the<br>reporting date | Ending<br>assets still held<br>as of the<br>reporting date | Amount of<br>total gains<br>(losses) for the<br>three months<br>ended March<br>31, 2023                           | Amount of<br>total gains<br>(losses) for the<br>three months<br>ended March<br>31, 2023 | Amount of<br>total gains<br>(losses) for the<br>three months<br>ended March<br>31, 2023 |  |
|   |          | sales, issuances<br>and settlements,<br>included in net<br>comprehensive<br>income (loss) | unrealized gains<br>(losses)      | other<br>comprehensive<br>income (loss)   | Transfers<br>into Level 3 (a) | Transfers<br>out of Level 3 (a) | Ending<br>balance as of March<br>31, 2023 | Ending<br>assets still held<br>as of the<br>reporting date | Ending<br>assets still held<br>as of the<br>reporting date | included in our<br>comprehensive<br>net income<br>relating to<br>assets still held<br>as of the<br>reporting date | income (loss)<br>relating to<br>assets still held<br>as of the<br>reporting date        | other<br>accumulated<br>comprehensive<br>income (loss)                                  |  |
| Assets:   |          |   |                                   |   |                               |                                 |   |  |  |   |   |   |  |
| Fixed<br>maturities, available<br>for sale:   |          |   |                                   |   |                               |                                 |   |  |  |   |   |   |  |
| Corporate<br>securities   | \$ 127.8 | \$ (.5)   | \$ .1                             | \$ .9                                     | \$ 5.9                        | \$ (6.4)                        | \$ 127.8                                  | \$ .1  | \$ .1  |   |   |   |  |
| Asset-backed<br>securities  | 57.0     | (5.1)   | (2)                               | (2)                                       | —                             | (10.4)                          | 41.1                                      | —  | (5)  |   |   |   |  |
| Non-agency<br>residential<br>mortgage-backed<br>securities                          | 56.2     | (2)   | —                                 | 2.3                                       | —                             | (24.5)                          | 33.8                                      | —  | 2.4  |   |   |   |  |
| Collateralized<br>loan obligations  | 3.4      | —   | —                                 | —   | —                             | (3.4)                           | —   | —  | —  |   |   |   |  |
| Commercial<br>mortgage-backed<br>securities   | 14.5     | —   | —                                 | (7)                                       | —                             | —                               | 13.8                                      | —  | (7)  |   |   |   |  |
| Total fixed<br>maturities,<br>available for<br>sale                                 | 258.9    | (5.8)   | (1)                               | 2.3                                       | 5.9                           | (44.7)                          | 216.5                                     | .1   | 1.3  |   |   |   |  |
| Equity<br>securities -<br>corporate securities                                      | 75.7     | —   | (7)                               | —   | —                             | —                               | 75.0                                      | (7)  | —  |   |   |   |  |
| Trading<br>securities - non-<br>agency residential<br>mortgage-backed<br>securities | .5       | —   | —                                 | —   | —                             | —                               | .5  | —  | —  |   |   |   |  |
| Other<br>invested assets -<br>residual tranches                                     | 18.3     | 5   | .4                                | —   | —                             | —                               | 19.2                                      | .4   | —  |   |   |   |  |

**CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES**  
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(a) Transfers into Level 3 are the result of unobservable inputs utilized within valuation methodologies for assets that were previously valued using observable inputs. Transfers out of Level 3 are due to the use of observable inputs in valuation methodologies as well as the utilization of pricing service information for certain assets that the Company is able to validate.

(b) Purchases, sales, issuances and settlements, net, represent the activity that occurred during the period that results in a change of the asset but does not represent changes in fair value for the instruments held at the beginning of the period. Such activity primarily consists of purchases and sales of fixed maturity and equity securities. The following summarizes such activity for the three months ended March 31, 2023 (dollars in millions):

|   | Purchases | Sales    | Issuances | Settlements | Purchases,<br>sales, issuances<br>and settlements,<br>net |
|---|-----------|----------|-----------|-------------|---|
| <b>Assets:</b>                                    |           |          |           |             |   |
| Fixed maturities, available for sale:             |           |          |           |             |   |
| Corporate securities                              | \$ .9     | \$ (1.4) | \$ —      | \$ —        | \$ (.5)   |
| Asset-backed securities                           | 2.3       | (7.4)    | —         | —           | (5.1)   |
| Non-agency residential mortgage-backed securities | —         | (2)      | —         | —           | (2)   |
| Total fixed maturities, available for sale        | 3.2       | (9.0)    | —         | —           | (5.8)   |
| Other invested assets - residual tranches         | .7        | (2)      | —         | —           | .5  |

Realized and unrealized investment gains and losses presented in the preceding tables represent gains and losses during the time the applicable financial instruments were classified as Level 3. Realized and unrealized gains (losses) on Level 3 assets are primarily reported in either net investment income for policyholder and other special-purpose portfolios or investment gains (losses) within the consolidated statement of operations; or accumulated other comprehensive income (loss) within shareholders' equity based on the appropriate accounting treatment for the instrument. The amount presented for gains (losses) included in our net income for assets still held as of the reporting date primarily represents: (i) the change in the allowance for credit losses for fixed maturities, available for sale; and (ii) changes in fair value of equity securities and trading securities that are held as of the reporting date. The amount presented for gains (losses) included in accumulated other comprehensive income (loss) for assets still held as of the reporting date primarily represents changes in the fair value of fixed maturities, available for sale, that are held as of the reporting date.

At March 31, 2024, 72 percent of our Level 3 fixed maturities, available for sale, were investment grade and 85 percent of our Level 3 fixed maturities, available for sale, consisted of corporate securities.

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The following table summarizes changes in the value of our embedded derivatives associated with fixed indexed annuity products (classified in policyholder account balances and future policy benefits as presented in the note to the consolidated financial statements entitled "Accounting for Derivatives") which are measured at fair value on a recurring basis and for which we have utilized significant unobservable (Level 3) inputs to determine fair value (dollars in millions):

|                                    | Three months ended       |                          |
|------------------------------------|--------------------------|--------------------------|
|                                    | March 31,                |                          |
|                                    | 2024                     | 2023                     |
| Balance at beginning of the period | \$ 1,376.7               | \$ 1,297.0               |
| Premiums less benefits             | (17.8)                   | (14.0)                   |
| Change in fair value, net          | 67.9                     | 64.9                     |
| Balance at end of the period       | <u><u>\$ 1,426.8</u></u> | <u><u>\$ 1,347.9</u></u> |

The change in fair value, net for each period in our embedded derivatives is included in the insurance policy benefits line item in the consolidated statement of operations.

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The following table provides additional information about the significant unobservable (Level 3) inputs developed internally by the Company to determine fair value for certain assets and liabilities carried at fair value at March 31, 2024 (dollars in millions):

|  | Fair value at<br>March 31, 2024 | Valuation<br>techniques                         | Unobservable<br>inputs          | Range<br>(weighted<br>average) (a) |
|--|---------------------------------|---|---------------------------------|------------------------------------|
| <b>Assets:</b>   |                                 |   |                                 |                                    |
| Corporate securities (b)   | \$ 2.5                          | Recovery<br>method                              | Percent of<br>recovery expected | (25.00%)                           |
| Corporate securities (c)   | 1.5                             | Unadjusted<br>purchase price                    | Not applicable                  | Not<br>applicable                  |
| Asset-backed<br>securities (d)   | 8.3                             | Discounted<br>cash flow analysis                | Discount margins                | (2.28%)                            |
| Equity securities (e)  | 63.3                            | Market<br>comparables                           | EBITDA multiples                | 11.5X                              |
| Equity securities (f)  | .1                              | Recovery<br>method                              | Percent of<br>recovery expected | 0.00% -<br>100.00%<br>(100.00%)    |
| Equity securities (g)  | 9.2                             | Unadjusted<br>purchase price                    | Not applicable                  | Not<br>applicable                  |
| Other assets<br>categorized as Level 3 (h)                               | 213.0                           | Unadjusted<br>third-party price<br>source       | Not applicable                  | Not<br>applicable                  |
| Market risk benefit<br>asset (i)   | 84.1                            | Discounted<br>cash flow analysis                | Surrender rates                 | 1.42% -<br>15.25% (4.28%)          |
|  |                                 |   | Utilization rates               | 5.92% -<br>47.62% (24.88%)         |
| <b>Total</b>   | <b>382.0</b>                    |   |                                 |                                    |
| <b>Liabilities:</b>  |                                 |   |                                 |                                    |
| Market risk benefit<br>liability (i)                                     | 3.8                             | Discounted<br>cash flow analysis                | Surrender rates                 | 1.42% -<br>15.25% (4.28%)          |
|  |                                 |   | Utilization rates               | 5.92% -<br>47.62% (24.88%)         |
| Embedded derivatives<br>related to fixed indexed<br>annuity products (i) | 1,426.8                         | Discounted<br>projected embedded<br>derivatives | Projected<br>portfolio yields   | 4.32% -<br>4.92% (4.57%)           |
|  |                                 |   | Discount rates                  | 4.07% -<br>5.74% (4.72%)           |
|  |                                 |   | Surrender rates                 | 1.42% -<br>23.70% (6.92%)          |

- (a) The weighted average is based on the relative fair value of the related assets or liabilities.
- (b) Corporate securities - The significant unobservable input used in the fair value measurement of these corporate securities is percentage of recovery expected. Significant increases (decreases) in percentage of recovery expected in isolation would have resulted in a significantly higher (lower) fair value measurement.
- (c) Corporate securities - For these assets, there were no adjustments to the purchase price.
- (d) Asset-backed securities - The significant unobservable input used in the fair value measurement of these asset-backed securities is discount margin added to a riskless market yield. Significant increases (decreases) in discount margin in isolation would have resulted in a significantly lower (higher) fair value measurement.
- (e) Equity securities - The significant unobservable input used in the fair value measurement of these equity securities is multiples of earnings before interest, taxes, depreciation and amortization ("EBITDA"). Generally, increases (decreases) in the EBITDA multiples would result in higher (lower) fair value measurements.
- (f) Equity securities - The significant unobservable input used in the fair value measurement of these equity securities is percentage of recovery expected. Significant increases (decreases) in percentage of recovery expected in isolation would have resulted in a significantly higher (lower) fair value measurement.
- (g) Equity securities - For these assets, there were no adjustments to the purchase price.
- (h) Other assets categorized as Level 3 - For these assets, there were no adjustments to non-binding quoted market prices obtained from third-party pricing sources.
- (i) Market risk benefits - Many of our fixed indexed annuity products include a GLWB that is considered a MRB. The calculation of the value of MRBs is based on significant unobservable inputs including assumptions related to surrenders

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and utilization of policy benefits. These assumptions are based on actuarial estimates and past experience. Increases in assumed surrender rates would generally increase the value of a MRB asset or decrease the value of a MRB liability (with decreases in assumed surrender rates having the opposite impacts). Increases in utilization rates would generally decrease the value of a MRB asset or increase the value of a MRB liability (with decreases in utilization rates having the opposite impacts).

(i) Embedded derivatives related to fixed indexed annuity products (classified as policyholder account liabilities) - The significant unobservable inputs used in the fair value measurement of our embedded derivatives associated with fixed indexed annuity products are projected portfolio yields, discount rates and surrender rates. Increases (decreases) in projected portfolio yields in isolation would have resulted in a higher (lower) fair value measurement. The discount rate is based on risk free rates (U.S. Treasury rates for similar durations) adjusted for our non-performance risk and risk margins for non-capital market inputs. Increases (decreases) in the discount rates would have resulted in a lower (higher) fair value measurement. Assumed surrender rates are used to project how long the contracts remain in force. Generally, the longer the contracts are assumed to be in force the higher the fair value of the embedded derivative. The embedded derivatives related to fixed indexed annuity products are classified in policyholder account balances and future policy benefits as presented in the note to the consolidated financial statements entitled "Accounting for Derivatives".

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The following table provides additional information about the significant unobservable (Level 3) inputs developed internally by the Company to determine fair value for certain assets and liabilities carried at fair value at December 31, 2023 (dollars in millions):

|  | Fair value at<br>December 31, 2023 | Valuation<br>techniques                         | Unobservable<br>inputs   | Range<br>(weighted<br>average) (a)  |
|--|------------------------------------|---|--|---|
| <b>Assets:</b>   |                                    |   |  |   |
| Corporate securities (b)   | \$ 2.9                             | Discounted<br>cash flow analysis                | Discount margins   | (2.22%)   |
| Corporate securities (c)   | 2.5                                | Recovery<br>method                              | Percent of<br>recovery expected                                    | (25.00%)  |
| Corporate securities (d)   | 1.5                                | Unadjusted<br>purchase price                    | Not applicable   | Not<br>applicable   |
| Asset-backed securities  | 8.6                                | Discounted<br>cash flow analysis                | Discount margins   | (2.24%)   |
| (e) Equity securities (f)  | 63.4                               | Market<br>comparables                           | EBITDA multiples   | 11.3X   |
| Equity securities (g)  | .1                                 | Recovery<br>method                              | Percent of<br>recovery expected                                    | 0.00% -<br>100.00%<br>(100.00%)   |
| Equity securities (h)  | 9.2                                | Unadjusted<br>purchase price                    | Not applicable   | Not<br>applicable   |
| Other assets<br>categorized as Level 3 (i)                               | 213.9                              | Unadjusted<br>third-party price<br>source       | Not applicable   | Not<br>applicable   |
| Market risk benefit<br>asset (j)   | 75.4                               | Discounted<br>cash flow analysis                | Surrender rates<br>Utilization rates                               | 1.42% -<br>15.25% (4.28%)<br>5.92% -<br>47.62% (24.88%)                           |
| <b>Total</b>   | <b>377.5</b>                       |   |  |   |
| <b>Liabilities:</b>  |                                    |   |  |   |
| Market risk benefit<br>liability (j)                                     | 7.4                                | Discounted<br>cash flow analysis                | Surrender rates<br>Utilization rates                               | 1.42% -<br>15.25% (4.28%)<br>5.92% -<br>47.62% (24.88%)                           |
| Embedded derivatives<br>related to fixed indexed<br>annuity products (k) | 1,376.7                            | Discounted<br>projected embedded<br>derivatives | Projected<br>portfolio yields<br>Discount rates<br>Surrender rates | 4.32% -<br>4.92% (4.57%)<br>3.85% -<br>5.76% (4.41%)<br>1.42% -<br>23.70% (6.92%) |

- (a) The weighted average is based on the relative fair value of the related assets or liabilities.
- (b) Corporate securities - The significant unobservable input used in the fair value measurement of our corporate securities is discount margin added to a riskless market yield. Significant increases (decreases) in discount margin in isolation would have resulted in a significantly lower (higher) fair value measurement.
- (c) Corporate securities - The significant unobservable input used in the fair value measurement of these corporate securities is percentage of recovery expected. Significant increases (decreases) in percentage of recovery expected in isolation would have resulted in a significantly higher (lower) fair value measurement.
- (d) Corporate securities - For these assets, there were no adjustments to the purchase price.
- (e) Asset-backed securities - The significant unobservable input used in the fair value measurement of these asset-backed securities is discount margin added to a riskless market yield. Significant increases (decreases) in discount margin in isolation would have resulted in a significantly lower (higher) fair value measurement.
- (f) Equity securities - The significant unobservable input used in the fair value measurement of these equity securities is multiples of earnings before EBITDA. Generally, increases (decreases) in the EBITDA multiples would result in higher (lower) fair value measurements.

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(g) Equity securities - The significant unobservable input used in the fair value measurement of these equity securities is percentage of recovery expected. Significant increases (decreases) in percentage of recovery expected in isolation would have resulted in a significantly higher (lower) fair value measurement.

(h) Equity securities - For these assets, there were no adjustments to the purchase price.

(i) Other assets categorized as Level 3 - For these assets, there were no adjustments to non-binding quoted market prices obtained from third-party pricing sources.

(j) Market risk benefits – Many of our fixed indexed annuity products include a GLWB that is considered a MRB. The calculation of the value of MRBs is based on significant unobservable inputs including assumptions related to surrenders and utilization of policy benefits. These assumptions are based on actuarial estimates and past experience. Increases in assumed surrender rates would generally increase the value of a MRB asset or decrease the value of a MRB liability (with decreases in assumed surrender rates having the opposite impacts). Increases in utilization rates would generally decrease the value of a MRB asset or increase the value of a MRB liability (with decreases in utilization rates having the opposite impacts).

(k) Embedded derivatives related to fixed indexed annuity products - The significant unobservable inputs used in the fair value measurement of our embedded derivatives associated with fixed indexed annuity products are projected portfolio yields, discount rates and surrender rates. Increases (decreases) in projected portfolio yields in isolation would have resulted in a higher (lower) fair value measurement. The discount rate is based on risk free rates (U.S. Treasury rates for similar durations) adjusted for our non-performance risk and risk margins for non-capital market inputs. Increases (decreases) in the discount rates would have resulted in a lower (higher) fair value measurement. Assumed surrender rates are used to project how long the contracts remain in force. Generally, the longer the contracts are assumed to be in force the higher the fair value of the embedded derivative. The embedded derivatives related to fixed indexed annuity products are classified in policyholder account balances and future policy benefits as presented in the note to the consolidated financial statements entitled "Accounting for Derivatives".

**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

In this section, we review the consolidated financial condition of CNO at March 31, 2024, and its consolidated results of operations for the three months ended March 31, 2024 and 2023, and, where appropriate, factors that may affect future financial performance. Please read this discussion in conjunction with the accompanying consolidated financial statements and notes. Results for interim periods are not necessarily indicative of the results that may be expected for a full year.

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Our statements, trend analyses and other information contained in this report and elsewhere (such as in filings by CNO with the SEC, press releases, presentations by CNO or its management or oral statements) relative to markets for CNO's products and trends in CNO's operations or financial results, as well as other statements, contain forward-looking statements within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by the use of terms such as "anticipate," "believe," "plan," "estimate," "expect," "project," "intend," "may," "will," "would," "contemplate," "possible," "attempt," "seek," "should," "could," "goal," "target," "on track," "comfortable with," "optimistic," "guidance," "outlook," "sustainable" and similar words, although some forward-looking statements are expressed differently. You should consider statements that contain these words carefully because they describe our expectations, plans, strategies and goals and our beliefs concerning future business conditions, our results of operations, financial position, and our business outlook or they state other "forward-looking" information based on currently available information. The "Risk Factors" section of our 2023 Annual Report on Form 10-K provides examples of risks, uncertainties and events that could cause our actual results to differ materially from the expectations expressed in our forward-looking statements. Assumptions and other important factors that could cause our actual results to differ materially from those anticipated in our forward-looking statements include, among other things:

- general economic, market and political conditions and uncertainties, including the performance and fluctuations of the financial markets which may affect the value of our investments as well as our ability to raise capital or refinance existing indebtedness and the cost of doing so;
- the impact of pandemics, including the novel coronavirus pandemic, and major public health issues and the resulting financial market, economic and other impacts;
- exposure to interest rate risk, including interest rate volatility, may negatively impact our results of operations, financial position or cash flow;
- future investment results, including the impact of realized losses (including other-than-temporary impairment charges) may diminish the value of our invested assets and negatively impact our profitability, our financial condition and our liquidity;
- the ultimate outcome of lawsuits filed against us and other legal and regulatory proceedings to which we are subject;
- our ability to make anticipated changes to certain non-guaranteed elements of our life insurance products;
- our ability to obtain adequate and timely rate increases on our health products, including our long-term care business;
- the receipt of any required regulatory approvals for dividend and surplus debenture interest payments from our insurance subsidiaries;
- mortality, morbidity, the increased cost and usage of health care services, persistency, the adequacy of our previous reserve estimates, changes in the health care market and other factors which may affect the profitability of our insurance products;
- the recoverability of our deferred tax assets and the effect of potential ownership changes and tax rate changes on their value;

- our assumption that the positions we take on our tax return filings will not be successfully challenged by the Internal Revenue Service;
- changes in accounting principles and the interpretation thereof;
- our ability to continue to satisfy the financial ratio and balance requirements and other covenants of our debt agreements;
- our ability to identify products and markets in which we can compete effectively against competitors with greater market share, higher ratings, greater financial resources and stronger brand recognition;
- our ability to generate sufficient liquidity to meet our debt service obligations and other cash needs;
- changes in capital deployment opportunities;
- our ability to maintain effective controls over financial reporting and modeling;
- our ability to continue to recruit and retain productive agents and distribution partners;
- customer response to new products, distribution channels and marketing initiatives;
- inflation or other unfavorable economic or business conditions may impact the sales and persistency of insurance products, a portion of our insurance policy benefits affected by increased medical coverage costs and various selling, general and administrative expenses;
- our ability to maintain the financial strength ratings of CNO and our insurance company subsidiaries as well as the impact of our ratings on our business, our ability to access capital, and the cost of capital;
- regulatory changes or actions, including: those relating to regulation of the financial affairs of our insurance companies, such as the calculation of risk-based capital and minimum capital requirements, and payment of dividends and surplus debenture interest to us; regulation of the sale, underwriting and pricing of products; health care regulation affecting health insurance products; and privacy laws and regulations;
- changes in the Federal income tax laws and regulations which may affect or eliminate the relative tax advantages of some of our products or affect the value of our deferred tax assets;
- availability and effectiveness of reinsurance arrangements, as well as the impact of any defaults or failure of reinsurers to perform;
- the performance of third party service providers (both domestic and international) and potential difficulties arising from outsourcing arrangements;
- expectations for the growth rate of sales, collected premiums, annuity deposits and assets;
- interruption in telecommunication, information technology or other operational systems or failure to maintain the security, confidentiality or privacy of sensitive data on such systems;
- events of terrorism, natural disasters or other catastrophic events, including potential adverse impacts from climate change which may increase the frequency or severity of weather-related disasters;
- cyber-security attacks, risk of data loss and other security breaches;
- ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; and
- the risk factors or uncertainties listed from time to time in our filings with the SEC.

Other factors and assumptions not identified above are also relevant to the forward-looking statements, and if they prove incorrect, could also cause actual results to differ materially from those projected.

All written or oral forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statement. Our forward-looking statements speak only as of the date made. We assume no obligation to update or to publicly announce the results of any revisions to any of the forward-looking statements to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements.

The reporting of risk-based capital ("RBC") measures is not intended for the purpose of ranking any insurance company or for use in connection with any marketing, advertising or promotional activities.

#### OVERVIEW

We are a holding company for a group of insurance companies that develop, market and administer health insurance, annuity, individual life insurance and other insurance and financial services products. We focus on serving middle-income pre-retiree and retired Americans, which we believe are attractive, underserved, high growth markets. We sell our products through exclusive agents, independent producers (some of whom sell one or more of our product lines exclusively) and direct marketing.

We view our operations as three insurance product lines (annuity, health and life) and the investment and fee income segments. Our segments are aligned based on their common characteristics, comparability of profit margins and the way management makes operating decisions and assesses the performance of the business.

Our insurance product line segments (annuity, health and life) include marketing, underwriting and administration of the policies our insurance subsidiaries sell. The business written in each of the three product categories through all of our insurance subsidiaries is aggregated allowing management and investors to assess the performance of each product category. When analyzing profitability of these segments, we use insurance product margin as the measure of profitability, which is: (i) insurance policy income; and (ii) net investment income allocated to the insurance product lines; less (i) insurance policy benefits and interest credited to policyholders; and (ii) amortization of deferred acquisition costs and present value of future profits, non-deferred commissions and advertising expense. Net investment income is allocated to the product lines using the book yield of investments backing the block of business, which is applied to the average insurance liabilities, net of insurance intangibles, for the block in each period. Net insurance liabilities for the purpose of allocating investment income to product lines are equal to: (i) policyholder account balances for annuity products; (ii) total reserves before the fair value adjustments reflected in accumulated other comprehensive income (loss), if applicable, for all other products; less (iii) amounts related to reinsured business; (iv) deferred acquisition costs; (v) the present value of future profits; and (vi) the value of unexpired options credited to insurance liabilities.

Income from insurance products is the sum of the insurance margins of the annuity, health and life product lines, less expenses allocated to the insurance lines. It excludes the income from our fee income business, investment income not allocated to product lines, net expenses not allocated to product lines (primarily holding company expenses) and income taxes. Management believes insurance product margin and income from insurance products help provide a better understanding of the business and a more meaningful analysis of the results of our insurance product lines.

We market our products through the Consumer and Worksite Divisions that reflect the customers served by the Company. The Consumer and Worksite Divisions are primarily focused on marketing insurance products, several types of which are sold in both divisions and underwritten in the same manner.

The Consumer Division serves individual consumers, engaging with them on the phone, virtually, online, face-to-face with agents, or through a combination of sales channels. This structure unifies consumer capabilities into a single division and integrates the strength of our agent sales forces with one of the largest direct-to-consumer insurance businesses with proven experience in advertising, web/digital and call center support.

The Worksite Division focuses on the sale of voluntary benefit life and health insurance products in the workplace for businesses, associations, and other membership groups, interacting with customers at their place of employment and virtually.

With a separate Worksite Division, we are bringing a sharper focus to this high-growth business while further capitalizing on the strength of our wholly-owned subsidiary, Optavise, a national provider of year-round technology-driven employee benefits management services.

The investment segment involves the management of our capital resources, including investments and the management of corporate debt and liquidity. Our measure of profitability of this segment is the total net investment income not allocated to the insurance products. Investment income not allocated to product lines represents net investment income less: (i) equity returns credited to policyholder account balances; (ii) the investment income allocated to our product lines; (iii) interest expense on notes payable, investment borrowings and financing arrangements; (iv) expenses related to the FABN program; and (v) certain expenses related to benefit plans that are offset by special-purpose investment income; plus (vi) the impact of annual option forfeitures related to fixed indexed annuity surrenders. Investment income not allocated to product lines includes investment income on investments in excess of amounts allocated to product lines, investments held by our holding companies, the spread we earn from our FHLB investment borrowing and FABN programs and variable components of investment income (including call and prepayment income, adjustments to returns on structured securities due to cash flow changes, income (loss) from COLI and alternative investment income not allocated to product lines), net of interest expense on corporate debt and financing arrangements. The spread earned from our FHLB investment borrowing and FABN programs includes the investment income on the matched assets less: (i) interest on investment borrowings related to the FHLB investment borrowing program; (ii) interest credited on funding agreements; and (iii) amortization of deferred acquisition costs related to the FABN program.

Our fee income segment includes the earnings generated from sales of third-party insurance products, services provided by Optavise and the operations of our broker/dealer and registered investment advisor.

Expenses not allocated to product lines include the expenses of our corporate operations, excluding interest expense on debt.

CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES

The following summarizes our earnings for the three months ending March 31, 2024 and 2023 (dollars in millions, except per share data):

|   | Three months ended |          |
|---|--------------------|----------|
|   | March 31,<br>2024  | 2023     |
| Insurance product margin  |                    |          |
| Annuity margin  | \$ 52.0            | \$ 57.3  |
| Health margin   | 123.0              | 116.5    |
| Life margin   | 54.6               | 47.4     |
| Total insurance product margin  | 229.6              | 221.2    |
| Allocated expenses  | (161.6)            | (157.5)  |
| Income from insurance products  | 68.0               | 63.7     |
| Fee income  | 11.3               | 15.5     |
| Investment income not allocated to product lines                                    | 12.3               | 15.5     |
| Expenses not allocated to product lines   | (16.8)             | (18.3)   |
| Operating earnings before taxes   | 74.8               | 76.4     |
| Income tax expense on operating income  | (17.3)             | (17.8)   |
| Net operating income (a)  | 57.5               | 58.6     |
| Net realized investment losses from sales and change in allowance for credit losses | (4.6)              | (12.7)   |
| Net change in market value of investments recognized in earnings                    | 12.4               | (1.9)    |
| Changes in fair value of embedded derivative liabilities and market risk benefits   | 64.0               | (65.1)   |
| Other   | (.4)               | 2.3      |
| Net non-operating income (loss) before taxes  | 71.4               | (77.4)   |
| Income tax (expense) benefit on non-operating income (loss)                         | (16.6)             | 18.0     |
| Net non-operating income (loss)   | 54.8               | (59.4)   |
| Net income (loss)   | \$ 112.3           | \$ (.8)  |
| Per diluted share   |                    |          |
| Net operating income  | \$ .52             | \$ .51   |
| Net non-operating income (loss)   | .49                | (.52)    |
| Net income (loss)   | \$ 1.01            | \$ (.01) |

(a) Management believes that an analysis of net income applicable to common stock before: (i) net realized investment gains or losses from sales, impairments and change in allowance for credit losses, net of taxes; (ii) net change in market value of investments recognized in earnings, net of taxes; (iii) changes in fair value of embedded derivative liabilities and MRBs related to our fixed indexed annuities, net of taxes; (iv) fair value changes related to the agent deferred compensation plan, net of taxes; (v) loss related to reinsurance transactions, net of taxes; (vi) loss on extinguishment of debt, net of taxes; (vii) changes in the valuation allowance for deferred tax assets and other tax items; and (viii) other non-operating items consisting primarily of earnings attributable to VIEs, net of taxes ("net operating income," a non-GAAP financial measure) is important to evaluate the financial performance of the company, and is a key measure commonly used in the life insurance industry. The income tax expense or benefit allocated to the items included in net non-operating income (loss) represents the current and deferred income tax expense or benefit allocated to the items included in non-operating earnings. Management uses this measure to evaluate performance because the items excluded from net operating income can be affected by events that are unrelated to the Company's underlying fundamentals. The table above reconciles the non-GAAP measure to the corresponding GAAP measure.

In addition, management uses these non-GAAP financial measures in its budgeting process, financial analysis of segment performance and in assessing the allocation of resources. We believe these non-GAAP financial measures enhance an investor's understanding of our financial performance and allows them to make more informed judgments about the Company as a whole. These measures also highlight operating trends that might not otherwise be apparent. However, net operating income is not a measurement of financial performance under GAAP and should not be considered as an alternative to cash flow from operating activities, as measures of liquidity, or as an alternative to net income as measures of our operating performance or any other measures of performance derived in accordance with GAAP. In addition, net operating income should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Net operating income has limitations as an analytical tool, and you should not consider such measure either in isolation or as a substitute for analyzing our results as reported under GAAP. Our definition and calculation of net operating income are not necessarily comparable to other similarly titled measures used by other companies due to different methods of calculation. Also, as we adopted the new accounting standard related to targeted improvements to the accounting for long-duration insurance contracts effective January 1, 2023, we updated our method of determining non-operating earnings for our fixed indexed annuities to better identify the volatile non-economic impacts of that line of business. This resulted in fixed indexed annuity margins that more closely reflect the economics of the business.

#### GOVERNMENTAL REGULATION

In 2023, the U.S. Department of Labor (the "DOL") proposed a regulation to change the definition of "fiduciary" for purposes of the Employee Retirement Income Security Act of 1974 ("ERISA") and parallel provisions of the Code, when a financial professional, including an insurance producer, provides investment advice, and to amend various existing prohibited transaction exemptions ("PTEs") that financial professionals rely on when making recommendations. On April 23, 2024, the DOL finalized and published this new definition of "fiduciary" for purposes of ERISA and parallel provisions of the Code and finalized and published amendments to these PTEs. We do not expect these developments to have a significant impact on our business.

#### CRITICAL ACCOUNTING ESTIMATES

Refer to "Critical Accounting Policies" in our 2023 Annual Report on Form 10-K for information on our other accounting policies that we consider critical in preparing our consolidated financial statements.

## RESULTS OF OPERATIONS

The following tables and narratives summarize the operating results of our segments (dollars in millions):

|  | Three months ended<br>March 31, |         |
|--|---------------------------------|---------|
|  | 2024                            | 2023    |
| Insurance product margin                         |                                 |         |
| Annuity:   |                                 |         |
| Insurance policy income                          | \$ 7.3                          | \$ 5.1  |
| Net investment income                            | 134.5                           | 125.4   |
| Insurance policy benefits                        | (11.3)                          | (8.7)   |
| Interest credited                                | (58.3)                          | (48.1)  |
| Amortization and non-deferred commissions (a)    | (20.2)                          | (16.4)  |
| Annuity margin                                   | 52.0                            | 57.3    |
| Health:  |                                 |         |
| Insurance policy income                          | 398.4                           | 401.4   |
| Net investment income                            | 74.3                            | 74.0    |
| Insurance policy benefits                        | (308.5)                         | (318.1) |
| Amortization and non-deferred commissions (a)    | (41.2)                          | (40.8)  |
| Health margin                                    | 123.0                           | 116.5   |
| Life:  |                                 |         |
| Insurance policy income                          | 222.7                           | 219.0   |
| Net investment income                            | 36.5                            | 36.3    |
| Insurance policy benefits                        | (144.0)                         | (147.2) |
| Interest credited                                | (12.5)                          | (12.1)  |
| Amortization and non-deferred commissions (a)    | (23.5)                          | (19.9)  |
| Advertising expense                              | (24.6)                          | (28.7)  |
| Life margin                                      | 54.6                            | 47.4    |
| Total insurance product margin                   | 229.6                           | 221.2   |
| Allocated expenses:                              |                                 |         |
| Branch office expenses                           | (19.8)                          | (19.8)  |
| Other allocated expenses                         | (141.8)                         | (137.7) |
| Income from insurance products                   | 68.0                            | 63.7    |
| Fee income                                       | 11.3                            | 15.5    |
| Investment income not allocated to product lines | 12.3                            | 15.5    |
| Expenses not allocated to product lines          | (16.8)                          | (18.3)  |
| Operating earnings before taxes                  | 74.8                            | 76.4    |
| Income tax expense on operating income           | (17.3)                          | (17.8)  |
| Net operating income                             | \$ 57.5                         | \$ 58.6 |

(a) Amortization and non-deferred commissions are comprised of: (i) the amortization of deferred acquisition costs and present value of future profits; and (ii) commission expenses that are not directly related to the successful acquisition of new or renewal insurance contracts and, therefore, are not eligible to be deferred. Such non-deferred commissions are included in other operating costs and expenses on the consolidated statement of operations.

CNO is the top tier holding company for a group of insurance companies that develop, market and administer health insurance, annuity, individual life insurance and other insurance and financial services products. We view our operations by segments, which consist of insurance product lines. These products are distributed by our two divisions. The Consumer Division serves individual consumers, engaging with them on the phone, virtually, online, face-to-face with agents, or through a combination of sales channels. The Worksite Division focuses on the sale of voluntary benefit life and health insurance products in the workplace for businesses, associations, and other membership groups, interacting with customers at their place of employment and virtually.

Insurance product margin is management's measure of the profitability of its annuity, health and life product lines' performance and consists of insurance policy income plus allocated investment income less insurance policy benefits, interest credited, commissions, advertising expense and amortization of acquisition costs. Income from insurance products is the sum of the insurance margins of the annuity, health and life product lines, less expenses allocated to the insurance lines. It excludes the income from our fee income business, investment income not allocated to product lines, net expenses not allocated to product lines (primarily holding company expenses) and income taxes. Management believes this information helps provide a better understanding of the business and a more meaningful analysis of the results of our insurance product lines.

Net investment income is allocated to the product lines using the book yield of investments backing the block of business, which is applied to the average insurance liabilities for the block in each period. Net insurance liabilities for the purpose of allocating investment income to product lines are equal to: (i) policyholder account balances for annuity products; (ii) total reserves before the fair value adjustments reflected in accumulated other comprehensive income (loss), if applicable, for all other products; less (iii) amounts related to reinsured business; (iv) deferred acquisition costs; (v) the present value of future profits; and (vi) the value of unexpired options credited to insurance liabilities. Investment income not allocated to product lines represents net investment income less: (i) equity returns credited to policyholder account balances; (ii) the investment income allocated to our product lines; (iii) interest expense on notes payable, investment borrowings and financing arrangements; (iv) expenses related to the FABN program; and (v) certain expenses related to benefit plans that are offset by special-purpose investment income; plus (vi) the impact of annual option forfeitures related to fixed indexed annuity surrenders. Investment income not allocated to product lines includes investment income on investments in excess of amounts allocated to product lines, investments held by our holding companies, the spread we earn from our FHLB investment borrowing and FABN programs and variable components of investment income (including call and prepayment income, adjustments to returns on structured securities due to cash flow changes, income (loss) from COLI and alternative investment income not allocated to product lines), net of interest expense on corporate debt and financing arrangements. The spread earned from our FHLB investment borrowing and FABN programs includes the investment income on the matched assets less: (i) interest on investment borrowings related to the FHLB investment borrowing program; (ii) interest credited on funding agreements; and (iii) amortization of deferred acquisition costs related to the FABN program.

**Summary of Operating Results:** Net operating income was \$57.5 million in the first quarter of 2024, compared to \$58.6 million in the first quarter of 2023.

Insurance product margin was \$229.6 million in the first quarter of 2024 compared to \$221.2 million in the first quarter of 2023. Fluctuations by product line are discussed in greater detail in the narratives that follow.

Total net investment income (comprised of investment income allocated and not allocated to products) increased 2.5 percent to \$257.6 million in the first quarter of 2024, as compared to \$251.2 million in the first quarter of 2023, reflecting growth in the investment portfolio and higher yields. Such results reflected net unfavorable mark-to-market impacts of \$24.3 million and \$9.4 million in the first quarters of 2024 and 2023, respectively. The performance of our alternative investments is typically reported a quarter in arrears. The alternative results in the first quarter of 2024 were adversely impacted by mark-to-market impacts on certain real estate partnerships ("REPs") driven by the annual appraisals of the underlying real estate assets in the context of higher cap rates in the current higher interest rate environment. The book value of these REPs was \$86 million at March 31, 2024. The underlying properties held by the REPs are occupied by investment grade tenants and have long-term non-cancellable leases. In addition, these REPs continue to produce stable cash flows at the property level and stable distributions to the Company.

Total allocated and unallocated expenses are summarized in the table below (dollars in millions):

|   | Three months ended |                 |
|---|--------------------|-----------------|
|   | March 31,          |                 |
|   | 2024               | 2023            |
| Expenses allocated to product lines     | \$ 161.6           | \$ 157.5        |
| Expenses not allocated to product lines | 16.8               | 18.3            |
| Adjusted total                          | <u>\$ 178.4</u>    | <u>\$ 175.8</u> |

Total allocated and unallocated expenses in the first three months of 2024 were up slightly as compared to the same period in the prior year, and were in line with our expectations. Our projected expense ratio guidance for the full year of 2024 is between 18.8 percent to 19.2 percent and remains unchanged. The expense ratio is defined as total allocated and unallocated expenses divided by the sum of insurance policy income and net investment income allocated to products.

The fee income segment is summarized below (dollars in millions):

|                              | Three months ended |                |
|------------------------------|--------------------|----------------|
|                              | March 31,          |                |
|                              | 2024               | 2023           |
| Fee revenue                  | \$ 50.5            | \$ 51.3        |
| Operating costs and expenses | (39.2)             | (35.8)         |
| Net fee income               | <u>\$ 11.3</u>     | <u>\$ 15.5</u> |

The decrease in net fee income in the first three months of 2024 is primarily due to: (i) changes to our revenue recognition assumptions related to sales of third party products by our Consumer Division reflecting less favorable policy persistency and higher agent persistency resulting in higher renewal commissions, as compared to the prior period; partially offset by (ii) higher sales of such third party products in the 2024 period as compared to the same period in the prior year.

Investment income not allocated to product lines generally fluctuates from period to period based on the level of prepayment income (including call premiums) and trading account income; the performance of our alternative investments (which are typically reported a quarter in arrears); the earnings related to the investments underlying our COLI; and the spread we earn from our FHLB investment borrowing and FABN programs.

The effective tax rate for the first three months of 2024 was 23.2 percent.

**Margin from Annuity Products (dollars in millions):**

|   | Three months ended           |                              |
|---|------------------------------|------------------------------|
|   | March 31,                    |                              |
|   | 2024                         | 2023                         |
| <b>Annuity margin:</b>                    |                              |                              |
| <b>Fixed indexed annuities</b>            |                              |                              |
| Insurance policy income                   | \$ 6.0                       | \$ 3.6                       |
| Net investment income                     | 108.4                        | 98.8                         |
| Insurance policy benefits                 | (5.8)                        | (4.1)                        |
| Interest credited                         | (46.7)                       | (36.4)                       |
| Amortization and non-deferred commissions | (18.5)                       | (15.4)                       |
| Margin from fixed indexed annuities       | <u><u>\$ 43.4</u></u>        | <u><u>\$ 46.5</u></u>        |
| Average net insurance liabilities         | <u><u>\$ 9,636.3</u></u>     | <u><u>\$ 9,183.8</u></u>     |
| Margin/average net insurance liabilities  | <u><u>1.80 %</u></u>         | <u><u>2.03 %</u></u>         |
| <b>Fixed interest annuities</b>           |                              |                              |
| Insurance policy income                   | \$.1                         | \$.3                         |
| Net investment income                     | 20.6                         | 20.9                         |
| Insurance policy benefits                 | (.4)                         | (.1)                         |
| Interest credited                         | (11.1)                       | (11.1)                       |
| Amortization and non-deferred commissions | (1.6)                        | (.9)                         |
| Margin from fixed interest annuities      | <u><u>\$ 7.6</u></u>         | <u><u>\$ 9.1</u></u>         |
| Average net insurance liabilities         | <u><u>\$ 1,588.0</u></u>     | <u><u>\$ 1,630.9</u></u>     |
| Margin/average net insurance liabilities  | <u><u>1.91 %</u></u>         | <u><u>2.23 %</u></u>         |
| <b>Other annuities</b>                    |                              |                              |
| Insurance policy income                   | \$ 1.2                       | \$ 1.2                       |
| Net investment income                     | 5.5                          | 5.7                          |
| Insurance policy benefits                 | (5.1)                        | (4.5)                        |
| Interest credited                         | (.5)                         | (.6)                         |
| Amortization and non-deferred commissions | (.1)                         | (.1)                         |
| Margin from other annuities               | <u><u>\$ 1.0</u></u>         | <u><u>\$ 1.7</u></u>         |
| Average net insurance liabilities         | <u><u>\$ 439.9</u></u>       | <u><u>\$ 469.5</u></u>       |
| Margin/average net insurance liabilities  | <u><u>.91 %</u></u>          | <u><u>1.45 %</u></u>         |
| <b>Total annuity margin</b>               | <b><u><u>\$ 52.0</u></u></b> | <b><u><u>\$ 57.3</u></u></b> |
| Average net insurance liabilities         | <u><u>\$ 11,664.2</u></u>    | <u><u>\$ 11,284.2</u></u>    |
| Margin/average net insurance liabilities  | <u><u>1.78 %</u></u>         | <u><u>2.03 %</u></u>         |

**Margin from fixed indexed annuities** was \$43.4 million in the first quarter of 2024 compared to \$46.5 million in the first quarter of 2023. The decrease in margin in the 2024 period is primarily due to: (i) additional amortization and unfavorable reserve impacts from higher policy surrender activity; (ii) slight spread compression driven by increased surrenders of higher spread products; partially offset by (iii) growth in the block and higher yields. Average net insurance liabilities (policyholder account balances less: (i) amounts related to reinsured business; (ii) deferred acquisition costs; (iii) present value of future profits; and (iv) the value of unexpired options credited to insurance liabilities) were \$9,636.3 million and \$9,183.8 million in the first quarters of 2024 and 2023, respectively, driven by deposits and reinvested returns in excess of withdrawals. The increase in net insurance liabilities results in higher net investment income allocated. The earned yield was 4.50 percent in the first quarter of 2024 up from 4.30 percent in the first quarter of 2023, reflecting higher portfolio yields.

Net investment income and interest credited exclude the change in market values of the underlying options supporting the fixed indexed annuity products and corresponding offsetting amount credited to policyholder account balances. Such amounts were \$128.6 million and \$16.5 million in the first quarters of 2024 and 2023, respectively.

**Margin from fixed interest annuities** was \$7.6 million in the first quarter of 2024 compared to \$9.1 million in the first quarter of 2023, driven primarily by additional amortization from higher policy surrenders and a reduction in the size of the block. Average net insurance liabilities were \$1,588.0 million in the first quarter of 2024 compared to \$1,630.9 million in the first quarter of 2023, driven by withdrawals in excess of deposits and reinvested returns. The decrease in net insurance liabilities resulted in lower net investment income allocated, however, the earned yield increased to 5.19 percent in the first quarter of 2024 from 5.13 percent in the first quarter of 2023, reflecting higher portfolio yields.

**Margin from other annuities** was \$1.0 million in the first quarter of 2024 compared to \$1.7 million in the first quarter of 2023. The margin on this relatively small block of business is sensitive to annuitant mortality related to contracts with life contingencies. An increase in mortality in this block will result in a decrease in insurance liabilities and insurance policy benefits. Such mortality was lower in the 2024 period compared to the same period in 2023.

**Margin from Health Products (dollars in millions):**

|   | Three months ended |                 |
|---|--------------------|-----------------|
|   | March 31,          |                 |
|   | 2024               | 2023            |
| <b>Health margin:</b>                     |                    |                 |
| Supplemental health                       |                    |                 |
| Insurance policy income                   | \$ 179.7           | \$ 179.0        |
| Net investment income                     | 39.0               | 38.6            |
| Insurance policy benefits                 | (125.8)            | (128.2)         |
| Amortization and non-deferred commissions | (27.5)             | (26.1)          |
| Margin from supplemental health           | \$ 65.4            | \$ 63.3         |
| Margin/insurance policy income            | <u>36 %</u>        | <u>35 %</u>     |
| Medicare supplement                       |                    |                 |
| Insurance policy income                   | \$ 151.7           | \$ 156.5        |
| Net investment income                     | 1.4                | 1.3             |
| Insurance policy benefits                 | (116.4)            | (120.5)         |
| Amortization and non-deferred commissions | (10.2)             | (11.2)          |
| Margin from Medicare supplement           | \$ 26.5            | \$ 26.1         |
| Margin/insurance policy income            | <u>17 %</u>        | <u>17 %</u>     |
| Long-term care                            |                    |                 |
| Insurance policy income                   | \$ 67.0            | \$ 65.9         |
| Net investment income                     | 33.9               | 34.1            |
| Insurance policy benefits                 | (66.3)             | (69.4)          |
| Amortization and non-deferred commissions | (3.5)              | (3.5)           |
| Margin from long-term care                | \$ 31.1            | \$ 27.1         |
| Margin/insurance policy income            | <u>46 %</u>        | <u>41 %</u>     |
| <b>Total health margin</b>                | <b>\$ 123.0</b>    | <b>\$ 116.5</b> |
| Margin/insurance policy income            | <u>31 %</u>        | <u>29 %</u>     |

**Margin from supplemental health** business was \$65.4 million in the first quarter of 2024 compared to \$63.3 million in the first quarter of 2023, reflecting growth in the block. The margin as a percentage of insurance policy income was 36 percent in the first quarter of 2024 compared to 35 percent in the prior year period.

Our supplemental health products (including specified disease, accident and hospital indemnity products) generally provide fixed or limited benefits. For example, payments under cancer insurance policies are generally made directly to, or at the direction of, the policyholder following diagnosis of, or treatment for, a covered type of cancer. Approximately three-fourths of our supplemental health policies inforce (based on policy count) are sold with return of premium or cash value riders. The return of premium rider generally provides that after a policy has been inforce for a specified number of years or upon the policyholder reaching a specified age, we will pay to the policyholder, or a beneficiary under the policy, the aggregate amount of all premiums paid under the policy, without interest, less the aggregate amount of all claims incurred under the policy. The cash value rider is similar to the return of premium rider, but also provides for payment of a graded portion of the return of premium benefit if the policy terminates before the return of premium benefit is earned. Accordingly, the net cash flows from these products generally result in the accumulation of amounts in the early years of a policy (reflected in our earnings as reserve increases which is a component of insurance policy benefits) which will be paid out as benefits in later policy years (reflected in our earnings as reserve decreases which offset the recording of benefit payments). As the policies age, insurance policy benefits will typically increase, but the increase in benefits will be partially offset by investment income earned on the accumulated assets.

**Margin from Medicare supplement** business was \$26.5 million and \$26.1 million in the first quarters of 2024 and 2023, respectively. The increase in margin on the Medicare supplement business is primarily due to favorable claims experience in the 2024 period, as compared to the 2023 period, partially offset by a reduction in the size of the block. Claim experience will fluctuate from period to period. Insurance policy income was \$151.7 million in the first quarter of 2024, down 3.1 percent from the first quarter of 2023, reflecting lower sales in recent periods partially offset by premium rate increases. Over the last several years, we have experienced a shift in the sale of Medicare supplement policies to the sale of Medicare Advantage policies. We receive fee income when Medicare Advantage policies of other providers are sold, which is recorded in our Fee income segment. We continue to invest in both our Medicare supplement products and Medicare Advantage distribution to meet our customers' needs and preferences.

Medicare supplement business consists of both individual and group policies. Government regulations generally require we attain and maintain a ratio of total benefits incurred to total premiums earned (excluding changes in policy benefits reserves which is a component of Insurance policy benefits) of not less than 65 percent on individual products and not less than 75 percent on group products. The ratio is determined after three years from the original issuance of the policy and over the lifetime of the policy and measured in accordance with statutory accounting principles. Since the insurance product liabilities we establish for Medicare supplement business are subject to significant estimates, the ultimate claim liability we incur for a particular period is likely to be different than our initial estimate. Changes to our estimates are reflected in insurance policy benefits in the period the change is determined.

**Margin from Long-term care products** was \$31.1 million and \$27.1 million in the first quarters of 2024 and 2023, respectively. The margin as a percentage of insurance policy income was 46 percent in the first quarter of 2024 compared to 41 percent in the first quarter of 2023. The increase in margin in the 2024 period is primarily due to growth in the block and lower insurance policy benefits, as compared to the 2023 period. Claim experience will fluctuate from quarter to quarter.

**Margin from Life Products (dollars in millions):**

|  | Three months ended |            |
|--|--------------------|------------|
|  | March 31,          |            |
|  | 2024               | 2023       |
| Life margin:   |                    |            |
| Interest-sensitive life                                      |                    |            |
| Insurance policy income                                      | \$ 46.6            | \$ 44.5    |
| Net investment income  | 13.2               | 13.1       |
| Insurance policy benefits                                    | (19.9)             | (18.2)     |
| Interest credited  | (12.3)             | (12.0)     |
| Amortization and non-deferred commissions                    | (5.1)              | (4.6)      |
| Margin from interest-sensitive life                          | \$ 22.5            | \$ 22.8    |
| Average net insurance liabilities                            | \$ 1,056.1         | \$ 1,032.0 |
| Interest margin  | \$ .9              | \$ 1.1     |
| Interest margin/average net insurance liabilities            | .34 %              | .43 %      |
| Underwriting margin  | \$ 21.6            | \$ 21.7    |
| Underwriting margin/insurance policy income                  | 46 %               | 49 %       |
| Traditional life   |                    |            |
| Insurance policy income                                      | \$ 176.1           | \$ 174.5   |
| Net investment income  | 23.3               | 23.2       |
| Insurance policy benefits                                    | (124.1)            | (129.0)    |
| Interest credited  | (.2)               | (.1)       |
| Amortization and non-deferred commissions                    | (18.4)             | (15.3)     |
| Advertising expense  | (24.6)             | (28.7)     |
| Margin from traditional life                                 | \$ 32.1            | \$ 24.6    |
| Margin/insurance policy income                               | 18 %               | 14 %       |
| Margin excluding advertising expense/insurance policy income | 32 %               | 31 %       |
| Total life margin  | \$ 54.6            | \$ 47.4    |

**Margin from interest-sensitive life** business was \$22.5 million in the first quarter of 2024, down slightly from the first quarter of 2023, reflecting unfavorable claims experience, as compared to the 2023 period; partially offset by growth in the block due to sales in recent periods.

The interest margin was \$0.9 million and \$1.1 million in the first quarters of 2024 and 2023, respectively. Net investment income in the 2024 period was comparable to the 2023 period. The increase in average net insurance liabilities results in higher net investment income allocated, which is largely offset by lower earned yields. The earned yield was 5.00 percent and 5.08 percent in the first quarters of 2024 and 2023, respectively. The decrease in earned yields is due to the maturity or sale of higher yielding investments. Interest credited to policyholders may be changed annually but is subject to minimum guaranteed rates and, as a result, any reduction in our earned rate may not be fully reflected in the rate credited to policyholders.

Net investment income and interest credited exclude the change in market values of the underlying options supporting the fixed indexed life products and corresponding offsetting amount credited to policyholder account balances. Such amounts were \$11.1 million and \$2.1 million in the first quarters of 2024 and 2023, respectively.

**Margin from traditional life** business was \$32.1 million and \$24.6 million in the first quarters of 2024 and 2023, respectively. The increase in margin in the 2024 period, as compared to the same period in 2023, reflects growth in the block and lower insurance policy benefits and advertising expense.

Net investment income in the 2024 period was comparable to the 2023 period. The increase in average net insurance liabilities results in higher net investment income allocated, which is largely offset by lower earned yields. The earned yield was 4.67 percent and 4.70 percent in the first quarters of 2024 and 2023, respectively.

Advertising expense was \$24.6 million in the first quarter of 2024, down 14 percent from the comparable period in 2023. The demand and cost of television advertising can fluctuate from period to period. We are disciplined with our marketing expenditures and will increase or decrease our marketing spend depending on the current economics of the purchase or other factors.

**Collected Premiums From Annuity and Interest-Sensitive Life Products (dollars in millions):**

|  | Three months ended |          |
|--|--------------------|----------|
|  | March 31,          |          |
|  | 2024               | 2023     |
| Collected premiums from annuity and interest-sensitive life products:      |                    |          |
| Annuities  | \$ 393.3           | \$ 370.9 |
| Interest-sensitive life  | 60.5               | 58.2     |
| Total collected premiums from annuity and interest-sensitive life products | \$ 453.8           | \$ 429.1 |

Collected premiums from annuity and interest-sensitive products increased 5.8 percent in the first quarter of 2024 compared to the first quarter of 2023, primarily due to higher premium collections from fixed indexed annuity products.

**Investment Income Not Allocated to Product Lines (dollars in millions):**

|   | Three months ended<br>March 31, |                 |
|---|---------------------------------|-----------------|
|   | 2024                            | 2023            |
| <b>Net investment income</b>  | <b>\$ 469.2</b>                 | <b>\$ 343.0</b> |
| Allocated to product lines:   |                                 |                 |
| Annuity   | (134.5)                         | (125.4)         |
| Health  | (74.3)                          | (74.0)          |
| Life  | (36.5)                          | (36.3)          |
| Equity returns credited to policyholder account balances                            | (139.7)                         | (18.6)          |
| Amounts allocated to product lines and credited to policyholder account balances    | (385.0)                         | (254.3)         |
| Impact of annual option forfeitures related to fixed indexed annuity surrenders     | 6.2                             | —               |
| Amount related to variable interest entities and other non-operating items          | (12.6)                          | (20.9)          |
| Interest expense on debt  | (15.7)                          | (15.7)          |
| Interest expense on financing arrangements  | (1.2)                           | —               |
| Interest expense on investment borrowings from FHLB                                 | (31.4)                          | (21.7)          |
| Expenses related to FABN program  | (7.6)                           | (7.6)           |
| Less amounts credited to deferred compensation plans (offsetting investment income) | (9.6)                           | (7.3)           |
| <b>Total adjustments</b>  | <b>(71.9)</b>                   | <b>(73.2)</b>   |
| <b>Investment income not allocated to product lines</b>                             | <b>\$ 12.3</b>                  | <b>\$ 15.5</b>  |

The above table reconciles net investment income to investment income not allocated to product lines. Such amount will generally fluctuate from period to period based on the level of prepayment income (including call premiums) and trading account income; the performance of our alternative investments (which are typically reported a quarter in arrears); the earnings related to the investments underlying our COLI; and the spread we earn from our FHLB investment borrowing and FABN programs.

**Net Non-Operating Income (Loss):**

The following summarizes our net non-operating income (loss) for the three months ending March 31, 2024 and 2023 (dollars in millions):

|   | Three months ended<br>March 31, |                  |
|---|---------------------------------|------------------|
|   | 2024                            | 2023             |
| Net realized investment losses from sales and change in allowance for credit losses | \$ (4.6)                        | \$ (12.7)        |
| Net change in market value of investments recognized in earnings                    | 12.4                            | (1.9)            |
| Changes in fair value of embedded derivative liabilities and market risk benefits   | 64.0                            | (65.1)           |
| Other   | (.4)                            | 2.3              |
| <b>Net non-operating income (loss) before taxes</b>                                 | <b>\$ 71.4</b>                  | <b>\$ (77.4)</b> |

Net realized investment losses in the three months ended March 31, 2024, were \$4.6 million, net of a reduction in the allowance for credit losses of \$1.5 million. Net realized investment losses in the three months ended March 31, 2023, were \$12.7 million, including an increase in the allowance for credit losses of \$1.5 million.

The change in market value of investments recognized in earnings was an increase (decrease) of \$12.4 million and \$(1.9) million in the first quarters of 2024 and 2023, respectively. The change in value will fluctuate from period to period based on market conditions.

We recognized an increase (decrease) in earnings of \$64.0 million and \$(65.1) million in the first three months of 2024 and 2023, respectively, resulting from changes in the fair value of embedded derivative liabilities and MRBs related to our fixed indexed annuities. Such amounts include the impacts of changes in market interest rates and equity impacts used to determine the estimated fair values of the embedded derivatives and MRBs.

Other non-operating items primarily include earnings attributable to VIEs that we are required to consolidate, net of affiliated amounts. Such earnings are not indicative of, and are unrelated to, the Company's underlying fundamentals.

**LIQUIDITY AND CAPITAL RESOURCES**

**2024 Outlook**

We are maintaining our previously disclosed guidance ranges as further discussed below.

We expect operating earnings per diluted share to be in the range of \$3.10 to \$3.30, excluding any significant items in the year. Given the lower returns on our alternative investments in the first quarter of 2024, we expect the full year operating earnings per share to be near the lower end of the range while also assuming that the returns on such alternative investments are more in line with our long term run-rate assumption for the balance of the year.

We continue to expect fee income to be slightly lower in 2024, as compared to 2023, with a slight change to the seasonal recognition of earnings with approximately one-third of such earnings recognized in the first quarter of 2024 (as compared to our previous expectation of 25 percent) and the remainder of such earnings generally recognized in the fourth quarter of 2024.

Our projected expense ratio guidance for the full year of between 18.8 percent to 19.2 percent for 2024 remains unchanged.

We continue to expect excess cash flow to the holding company to be in the range of \$140 million to \$200 million. The high end of the range assumes that we maintain our current pace of organic growth; maintain the current asset mix in our investment portfolio; and there is no significant change to economic conditions and the related pattern of credit migration in our investment portfolio. However, if we continue to accelerate organic growth; decide to accept a higher level of risk in our investment portfolio; and/or economic conditions deteriorate, prompting adverse credit migration, then additional capital would be required and excess cash flow would be toward the lower end of the range.

We expect to continue to manage to: (i) a consolidated RBC ratio of 375 percent for our U.S. based insurance subsidiaries; (ii) minimum holding company liquidity of \$150 million; and (iii) a target debt to total capital, excluding accumulated other comprehensive income (loss), in the range of 25 percent to 28 percent.

Our capital structure as of March 31, 2024 and December 31, 2023 was as follows (dollars in millions):

|                                      | March 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|-------------------|----------------------|
| Total capital:                       |                   |                      |
| Corporate notes payable              | \$ 1,141.0        | \$ 1,140.5           |
| Shareholders' equity:                |                   |                      |
| Common stock                         | 1.1               | 1.1                  |
| Additional paid-in capital           | 1,851.2           | 1,891.5              |
| Accumulated other comprehensive loss | (1,480.3)         | (1,576.8)            |
| Retained earnings                    | 1,995.7           | 1,899.8              |
| Total shareholders' equity           | 2,367.7           | 2,215.6              |
| Total capital                        | \$ 3,508.7        | \$ 3,356.1           |

The following table summarizes certain financial ratios as of and for the three months ended March 31, 2024 and as of and for the year ended December 31, 2023:

|  | March 31,<br>2024 | December 31,<br>2023 |
|--|-------------------|----------------------|
| Book value per common share  | \$ 21.81          | \$ 20.26             |
| Book value per common share, excluding accumulated other comprehensive income (loss) (a)     | 35.44             | 34.68                |
| Debt to total capital ratios:  |                   |                      |
| Corporate debt to total capital  | 32.5 %            | 34.0 %               |
| Corporate debt to total capital, excluding accumulated other comprehensive income (loss) (a) | 22.9 %            | 23.1 %               |

(a) This non-GAAP measure differs from the corresponding GAAP measure presented immediately above, because accumulated other comprehensive income (loss) has been excluded from the value of capital used to determine this measure. Management believes this non-GAAP measure is useful because it removes the volatility that arises from changes in accumulated other comprehensive income (loss). Such volatility is often caused by changes in the estimated fair value of our investment portfolio resulting from changes in general market interest rates rather than the business decisions made by management. However, this measure does not replace the corresponding GAAP measure.

#### Liquidity for Insurance Operations

Our insurance companies generally receive adequate cash flows from premium collections and investment income to meet their obligations. Life insurance, long-term care and supplemental health insurance and annuity liabilities are generally long-term in nature. Life and annuity policyholders may, however, withdraw funds or surrender their policies, subject to any applicable penalty provisions; there are generally no withdrawal or surrender benefits for long-term care insurance. We actively manage the relationship between the duration of our invested assets and the estimated duration of benefit payments arising from contract liabilities.

Three of the Company's insurance subsidiaries (Bankers Life, Washington National and Colonial Penn) are members of the FHLB. As members of the FHLB, our insurance subsidiaries have the ability to borrow on a collateralized basis from the FHLB. We are required to hold certain minimum amounts of FHLB common stock as a condition of membership in the FHLB, and additional amounts based on the amount of the borrowings. At March 31, 2024, the carrying value of the FHLB common stock was \$94.6 million. As of March 31, 2024, collateralized borrowings from the FHLB totaled \$2.2 billion and the proceeds were used to purchase matched variable rate fixed maturity securities. The borrowings are classified as investment borrowings in the accompanying consolidated balance sheet. The borrowings are collateralized by investments with an estimated fair value of \$2.7 billion at March 31, 2024, which are maintained in custodial accounts for the benefit of the FHLB.

State laws generally give state insurance regulatory agencies broad authority to protect policyholders in their jurisdictions. Regulators have used this authority in the past to restrict the ability of our insurance subsidiaries to pay any dividends or other amounts without prior approval. We cannot be assured that the regulators will not seek to assert greater supervision and control over our insurance subsidiaries' businesses and financial affairs.

Our estimated consolidated statutory RBC ratio of our U.S. based insurance subsidiaries was 391 percent at March 31, 2024, compared to 402 percent at December 31, 2023. In the first three months of 2024, the RBC ratio reflected: (i) an estimated consolidated statutory operating loss of \$4 million; and (ii) insurance company dividends (net of capital contributions) of \$43.3 million that were paid to the holding company. Our RBC ratio at March 31, 2024, exceeded our targeted RBC ratio of 375 percent and the minimum 350 percent that is reflected in our risk appetite statement that we share and discuss with rating agencies and insurance regulators. We believe that the 375 percent RBC ratio target continues to adequately support our financial strength and credit ratings.

Our insurance subsidiaries transfer exposure to certain risk to others through reinsurance arrangements. When we obtain reinsurance, we are still liable for those transferred risks in the event the reinsurer defaults on its obligations. The failure, insolvency, inability or unwillingness of one or more of the Company's reinsurers to perform in accordance with the terms of its reinsurance agreement could negatively impact our earnings or financial position and our consolidated statutory RBC ratio.

***Financial Strength Ratings of our Insurance Subsidiaries***

Financial strength ratings provided by S&P, AM Best Company ("AM Best"), Fitch Ratings ("Fitch") and Moody's Investor Services, Inc. ("Moody's") are the rating agency's opinions of the ability of our insurance subsidiaries to pay policyholder claims and obligations when due.

On March 18, 2024, S&P affirmed its "A-" financial strength ratings of our primary insurance subsidiaries and the outlook for these ratings is stable. S&P financial strength ratings range from "AAA" to "R" and some companies are not rated. An insurer rated "A", in S&P's opinion, has strong financial security characteristics, but is somewhat more likely to be affected by adverse business conditions than are insurers with higher ratings. Pluses and minuses show the relative standing within a category. S&P has twenty-one possible ratings. There are six ratings above the "A-" rating of our primary insurance subsidiaries and fourteen ratings that are below that rating.

On February 15, 2024, AM Best affirmed its "A" financial strength ratings of our primary insurance subsidiaries and the outlook for these ratings is stable. The "A" rating is assigned to companies that have an excellent ability, in AM Best's opinion, to meet their ongoing obligations to policyholders. AM Best ratings for the industry currently range from "A++ (Superior)" to "F (In Liquidation)" and some companies are not rated. AM Best has sixteen possible ratings. There are two ratings above the "A" rating of our primary insurance subsidiaries and thirteen ratings that are below that rating.

On November 15, 2023, Fitch upgraded the financial strength ratings of our primary insurance subsidiaries to "A" from "A-" and the outlook for these ratings is stable. An insurer rated "A", in Fitch's opinion, indicates a low expectation of ceased or interrupted payments and indicates strong capacity to meet policyholder and contract obligations. This capacity may, nonetheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings. Fitch ratings for the industry range from "AAA Exceptionally Strong" to "C Distressed" and some companies are not rated. Pluses and minuses show the relative standing within a category. Fitch has nineteen possible ratings. There are five ratings above the "A" rating of our primary insurance subsidiaries and thirteen ratings that are below that rating.

Moody's most recently reviewed its "A3" financial strength ratings of our primary insurance subsidiaries on May 12, 2023. The outlook for these ratings remains stable. Moody's financial strength ratings range from "Aaa" to "C". These ratings may be supplemented with numbers "1", "2", or "3" to show relative standing within a category. In Moody's view, an insurer rated "A" offers good financial security, however, certain elements may be present which suggests a susceptibility to impairment sometime in the future. Moody's has twenty-one possible ratings. There are six ratings above the "A3" rating of our primary insurance subsidiaries and fourteen ratings that are below that rating.

Rating agencies have increased the frequency and scope of their credit reviews and requested additional information from the companies that they rate, including us. They may also adjust upward the capital and other requirements employed in their rating models for maintenance of certain ratings levels. We cannot predict what actions rating agencies may take, or what

actions we may take in response. Accordingly, downgrades and outlook revisions related to us or the life insurance industry may occur in the future at any time and without notice by any rating agency. These could increase policy surrenders and withdrawals, adversely affect relationships with our distribution channels, reduce new sales, reduce our ability to borrow and increase our future borrowing costs.

**Liquidity of the Holding Companies**

*Availability and Sources and Uses of Holding Company Liquidity; Limitations on Ability of Insurance Subsidiaries to Make Dividend and Surplus Debenture Interest Payments to the Holding Companies; Limitations on Holding Company Activities*

At March 31, 2024, CNO, CDOC, Inc. ("CDOC", our wholly owned subsidiary and the immediate parent of Washington National and Conseco Life Insurance Company of Texas ("CLTX")) and our other non-insurance subsidiaries held \$222.8 million of unrestricted cash and cash equivalents which was above our minimum target level of \$150 million.

CNO and CDOC are holding companies with no business operations of their own; they depend on their operating subsidiaries for cash to make principal and interest payments on debt, and to pay administrative expenses and income taxes. CNO and CDOC receive cash from insurance subsidiaries, consisting of dividends and distributions, interest payments on surplus debentures and tax-sharing payments, as well as cash from non-insurance subsidiaries consisting of dividends, distributions, loans and advances. The principal non-insurance subsidiaries that provide cash to CNO and CDOC are 40|86 Advisors, Inc., which receives fees from the insurance subsidiaries for investment services, and CNO Services, LLC which receives fees from the insurance subsidiaries for providing administrative services. The agreements between our insurance subsidiaries and CNO Services, LLC and 40|86 Advisors, Inc., respectively, were previously approved by the domestic insurance regulator for each insurance company, and any payments thereunder do not require further regulatory approval.

The ability of our U.S. based insurance subsidiaries to pay dividends is subject to state insurance department regulations and is based on the financial statements of our insurance subsidiaries prepared in accordance with statutory accounting practices prescribed or permitted by regulatory authorities, which differ from GAAP. These regulations generally permit dividends to be paid from statutory earned surplus of the insurance company without regulatory approval for any 12-month period in amounts equal to the greater of (or in some states, the lesser of): (i) statutory net gain from operations or net income for the prior year; or (ii) 10 percent of statutory capital and surplus as of the end of the preceding year. However, as each of the immediate U.S. based insurance subsidiaries of CDOC has significant negative earned surplus, any dividend payments from the insurance subsidiaries require the prior approval of the director or commissioner of the applicable state insurance department. In the first three months of 2024, our U.S. based insurance subsidiaries paid dividends to CDOC totaling \$68.0 million. We expect to receive regulatory approval for future dividends from our subsidiaries, but there can be no assurance that such payments will be approved or that the financial condition of our insurance subsidiaries will not change, making future approvals less likely.

CDOC holds surplus debentures from CLTX with an aggregate principal amount of \$749.6 million. Interest payments on those surplus debentures do not require additional approval provided the RBC ratio of CLTX exceeds 100 percent (but do require prior written notice to the Texas Department of Insurance). The estimated RBC ratio of CLTX was 338 percent at March 31, 2024. CDOC also holds a surplus debenture from Colonial Penn with a principal balance of \$160.0 million. Interest payments on that surplus debenture require prior approval by the Pennsylvania Insurance Department. Dividends and other payments from our non-insurance subsidiaries, including 40|86 Advisors, Inc. and CNO Services, LLC, to CNO or CDOC do not require approval by any regulatory authority or other third party. However, insurance regulators may prohibit payments by our insurance subsidiaries to parent companies if they determine that such payments could be adverse to our policyholders or contractholders.

The insurance subsidiaries of CDOC receive funds to pay dividends primarily from: (i) the earnings of their direct businesses; (ii) tax sharing payments received from subsidiaries (if applicable); and (iii) with respect to CLTX, dividends received from subsidiaries. At March 31, 2024, the subsidiaries of CLTX had earned surplus (deficit) as summarized below (dollars in millions):

| Subsidiaries of CLTX | Earned<br>surplus<br>(deficit) | Additional information |
|----------------------|--------------------------------|------------------------|
| Bankers Life         | \$ (5.1)                       | (a)                    |
| Colonial Penn        | (513.3)                        | (b)                    |

(a) Bankers Life paid dividends of \$30.0 million to CLTX in the first three months of 2024. Bankers Life may pay dividends without regulatory approval or prior notice for any 12-month period if such dividends are less than the greater of: (i) statutory net income for the prior year; or (ii) 10 percent of statutory capital and surplus as of the end of the preceding year. Dividends in excess of these levels require 30 days prior notice. In the event Bankers Life's earned surplus balance is zero or in a deficit position, Bankers Life may request approval from the Illinois Department of Insurance for return-of-capital distributions, the payment of which would be subject to prior approval.

(b) The deficit is primarily due to transactions which occurred several years ago, including a tax planning transaction and the fee paid to recapture a block of business previously ceded to an unaffiliated insurer.

A significant deterioration in the financial condition, earnings or cash flow of the material subsidiaries of CNO or CDOC for any reason could hinder such subsidiaries' ability to pay cash dividends or other disbursements to CNO and/or CDOC, which, in turn, could limit CNO's ability to meet debt service requirements and satisfy other financial obligations. In addition, we may choose to retain capital in our insurance subsidiaries or to contribute additional capital to our insurance subsidiaries to maintain or strengthen their surplus or fund reinsurance transactions, and these decisions could limit the amount available at our top tier insurance subsidiaries to pay dividends to the holding companies. In the first three months of 2024, CDOC made capital contributions of \$24.7 million to CLTX.

At March 31, 2024, there were no amounts outstanding under our \$250 million Revolving Credit Agreement and there are no scheduled repayments of our direct corporate obligations until May 2025.

Free cash flow is a measure of holding company liquidity and is calculated as: (i) dividends, management fees and surplus debenture interest payments received from our subsidiaries; plus (ii) earnings on corporate investments; less (iii) interest expense, corporate expenses and net tax payments. In the first three months of 2024, we generated \$34 million of such free cash flow. The Company expects to deploy its free cash flow into investments to accelerate profitable growth, common stock dividends and share repurchases. The amount and timing of future share repurchases (if any) will be based on business and market conditions and other factors including, but not limited to, available free cash flow, the current price of our common stock and investment opportunities. In the first three months of 2024, we repurchased 1.5 million shares of common stock for \$40.0 million under our securities repurchase program (including \$0.8 million of repurchases settled in the second quarter of 2024). The Company had remaining repurchase authority of \$481.8 million as of March 31, 2024.

In the first three months of 2024, dividends declared on common stock totaled \$16.4 million (\$0.15 per common share). In May 2024, the Company increased its quarterly common stock dividend to \$0.16 per share from \$0.15 per share.

On March 18, 2024, S&P affirmed its "BBB-" rating on our senior unsecured debt and the outlook for these ratings is stable. In S&P's view, an obligation rated "BBB" exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. Pluses and minuses show the relative standing within a category. S&P has a total of twenty-two possible ratings ranging from "AAA (Extremely Strong)" to "D (Payment Default)". There are nine ratings above CNO's "BBB-" rating and twelve ratings that are below its rating.

On February 15, 2024, AM Best affirmed its "bbb" rating on our issuer credit and senior unsecured debt and the outlook for these ratings is stable. In AM Best's view, a company rated "bbb" has an adequate ability to meet the terms of its obligations; however, the issuer is more susceptible to changes in economic or other conditions. Pluses and minuses show the

relative standing within a category. AM Best has a total of twenty-two possible ratings ranging from "aaa (Exceptional)" to "d (In default)". There are eight ratings above CNO's "bbb" rating and thirteen ratings that are below its rating.

On November 15, 2023, Fitch upgraded our senior unsecured debt ratings to "BBB+" from "BBB". The outlook for these ratings is stable. In Fitch's view, an obligation rated "BBB" indicates that expectations of default risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity. Pluses and minuses show the relative standing within a category. Fitch has a total of 21 possible ratings ranging from "AAA" to "D". There are eight ratings above CNO's "BBB+" rating and twelve ratings that are below its rating.

Moody's most recently reviewed its "Baa3" rating on our senior unsecured debt on May 12, 2023. The outlook for these ratings remains stable. In Moody's view, obligations rated "Baa" are subject to moderate credit risk and may possess certain speculative characteristics. A rating is supplemented with numerical modifiers "1", "2" or "3" to show the relative standing within a category. Moody's has a total of twenty-one possible ratings ranging from "Aaa" to "C". There are nine ratings above CNO's "Baa3" rating and eleven ratings that are below its rating.

We believe that the existing cash available to the holding company, the cash flows to be generated from operations and other transactions will be sufficient to allow us to meet our debt service obligations, pay corporate expenses and satisfy other financial obligations. However, our cash flow is affected by a variety of factors, many of which are outside of our control, including insurance regulatory issues, competition, financial markets and other general business conditions. We cannot provide assurance that we will possess sufficient income and liquidity to meet all of our debt service requirements and other holding company obligations.

## INVESTMENTS

At March 31, 2024, the amortized cost, gross unrealized gains, gross unrealized losses, allowance for credit losses and estimated fair value of fixed maturities, available for sale, were as follows (dollars in millions):

|   | Amortized cost            | Gross unrealized gains | Gross unrealized losses    | Allowance for credit losses | Estimated fair value      |
|---|---------------------------|------------------------|----------------------------|-----------------------------|---------------------------|
| Investment grade (a):   |                           |                        |                            |                             |                           |
| Corporate securities  | \$ 12,557.8               | \$ 48.9                | \$ (1,474.6)               | \$ (21.5)                   | \$ 11,110.6               |
| United States Treasury securities and obligations of United States government corporations and agencies | 232.8                     | —                      | (18.4)                     | —                           | 214.4                     |
| States and political subdivisions   | 3,044.9                   | 26.4                   | (376.3)                    | (.5)                        | 2,694.5                   |
| Foreign governments   | 94.8                      | .6                     | (12.5)                     | (.6)                        | 82.3                      |
| Asset-backed securities   | 1,436.8                   | 3.2                    | (81.6)                     | (.1)                        | 1,358.3                   |
| Agency residential mortgage-backed securities   | 683.3                     | 6.7                    | (2.3)                      | —                           | 687.7                     |
| Non-agency residential mortgage-backed securities   | 1,189.0                   | 6.8                    | (128.6)                    | —                           | 1,067.2                   |
| Collateralized loan obligations   | 1,151.0                   | 4.6                    | (10.0)                     | —                           | 1,145.6                   |
| Commercial mortgage-backed securities   | 2,296.7                   | 1.8                    | (196.4)                    | —                           | 2,102.1                   |
| Total investment grade fixed maturities, available for sale   | <u>22,687.1</u>           | <u>99.0</u>            | <u>(2,300.7)</u>           | <u>(22.7)</u>               | <u>20,462.7</u>           |
| Below-investment grade (a) (b):   |                           |                        |                            |                             |                           |
| Corporate securities  | 574.9                     | 1.6                    | (32.0)                     | (16.2)                      | 528.3                     |
| States and political subdivisions   | 9.6                       | —                      | (.6)                       | (.1)                        | 8.9                       |
| Asset-backed securities   | 109.3                     | .1                     | (13.8)                     | —                           | 95.6                      |
| Non-agency residential mortgage-backed securities   | 481.4                     | 26.8                   | (15.6)                     | —                           | 492.6                     |
| Commercial mortgage-backed securities   | 88.5                      | —                      | (28.5)                     | —                           | 60.0                      |
| Total below-investment grade fixed maturities, available for sale                                       | <u>1,263.7</u>            | <u>28.5</u>            | <u>(90.5)</u>              | <u>(16.3)</u>               | <u>1,185.4</u>            |
| Total fixed maturities, available for sale  | <u><u>\$ 23,950.8</u></u> | <u><u>\$ 127.5</u></u> | <u><u>\$ (2,391.2)</u></u> | <u><u>\$ (39.0)</u></u>     | <u><u>\$ 21,648.1</u></u> |

(a) Investment ratings are assigned the second lowest rating by Nationally Recognized Statistical Rating Organizations ("NRSROs") (Moody's, S&P or Fitch), or if not rated by such firms, the rating assigned by the National Association of Insurance Commissioners (the "NAIC"). NAIC designations of "1" or "2" include fixed maturities generally rated investment grade (rated "Baa3" or higher by Moody's or rated "BBB-" or higher by S&P and Fitch). NAIC designations of "3" through "6" are referred to as below-investment grade (which generally are rated "Ba1" or lower by Moody's or rated "BB+" or lower by S&P and Fitch). References to investment grade or below-investment grade throughout our consolidated financial statements are determined as described above.

(b) Certain structured securities rated below-investment grade by NRSROs may be assigned a NAIC 1 or NAIC 2 designation based on the cost basis of the security relative to estimated recoverable amounts as determined by the NAIC. Refer to the table below for a summary of our fixed maturity securities, available for sale, by NAIC designations.

The NAIC evaluates the fixed maturity investments of insurers for regulatory and capital assessment purposes and assigns securities to one of six credit quality categories called NAIC designations, which are used by insurers when preparing their annual statements based on statutory accounting principles. The NAIC designations are generally similar to the credit quality designations of the NRSROs for marketable fixed maturity securities, except for certain structured securities. However, certain structured securities rated below investment grade by the NRSROs can be assigned NAIC 1 or NAIC 2 designations depending on the cost basis of the holding relative to estimated recoverable amounts as determined by the NAIC. The following summarizes the NAIC designations and NRSRO equivalent ratings:

| NAIC Designation | NRSRO Equivalent Rating |
|------------------|-------------------------|
| 1                | AAA/AA/A                |
| 2                | BBB                     |
| 3                | BB                      |
| 4                | B                       |
| 5                | CCC and lower           |
| 6                | In or near default      |

A summary of our fixed maturity securities, available for sale, by NAIC designations (or for fixed maturity securities held by non-regulated entities, based on NRSRO ratings) as of March 31, 2024 is as follows (dollars in millions):

| NAIC designation                                  | Amortized cost | Estimated fair value | Percentage of total estimated fair value |   |
|---|----------------|----------------------|--|---|
|   |                |                      | %  |   |
| 1   | \$ 15,421.3    | \$ 13,971.4          | 64.5                                     | % |
| 2   | 7,807.0        | 7,030.1              | 32.5                                     |   |
| Total NAIC 1 and 2 (investment grade)             | 23,228.3       | 21,001.5             | 97.0                                     |   |
| 3   | 535.6          | 484.1                | 2.2                                      |   |
| 4   | 147.7          | 138.2                | .7                                       |   |
| 5   | 29.2           | 21.8                 | .1                                       |   |
| 6   | 10.0           | 2.5                  | —  |   |
| Total NAIC 3, 4, 5 and 6 (below-investment grade) | 722.5          | 646.6                | 3.0                                      |   |
| Total   | \$ 23,950.8    | \$ 21,648.1          | 100.0                                    | % |

*Fixed Maturity Securities, Available for Sale*

The following table summarizes the carrying values and gross unrealized losses of our fixed maturity securities, available for sale, by category as of March 31, 2024 (dollars in millions):

|   | Carrying value | Percent of fixed maturities | Gross unrealized losses | Percent of gross unrealized losses |
|---|----------------|-----------------------------|-------------------------|------------------------------------|
| States and political subdivisions                 | \$ 2,703.4     | 12.5 %                      | \$ 376.9                | 15.8 %                             |
| Commercial mortgage-backed securities             | 2,162.1        | 10.0                        | 224.9                   | 9.4                                |
| Banks   | 1,801.8        | 8.3                         | 195.2                   | 8.2                                |
| Non-agency residential mortgage-backed securities | 1,559.8        | 7.2                         | 144.2                   | 6.0                                |
| Asset-backed securities                           | 1,453.9        | 6.7                         | 95.4                    | 4.0                                |
| Collateralized loan obligations                   | 1,145.6        | 5.3                         | 10.0                    | .4                                 |
| Insurance   | 1,112.1        | 5.1                         | 173.8                   | 7.3                                |
| Utilities   | 1,101.9        | 5.1                         | 151.1                   | 6.3                                |
| Healthcare/pharmaceuticals                        | 1,037.9        | 4.8                         | 185.1                   | 7.7                                |
| Brokerage   | 946.8          | 4.4                         | 108.5                   | 4.5                                |
| Technology  | 763.3          | 3.5                         | 127.9                   | 5.3                                |
| Agency residential mortgage-backed securities     | 687.7          | 3.2                         | 2.3                     | .1                                 |
| Food/beverage                                     | 628.8          | 2.9                         | 73.9                    | 3.1                                |
| Energy  | 505.5          | 2.3                         | 35.0                    | 1.5                                |
| Cable/media                                       | 433.3          | 2.0                         | 71.4                    | 3.0                                |
| Real estate/REITs                                 | 336.7          | 1.5                         | 43.6                    | 1.8                                |
| Transportation                                    | 319.3          | 1.5                         | 35.7                    | 1.5                                |
| Telecom   | 315.7          | 1.5                         | 23.1                    | 1.0                                |
| Capital goods                                     | 275.5          | 1.3                         | 30.4                    | 1.3                                |
| Chemicals   | 258.9          | 1.2                         | 31.9                    | 1.3                                |
| Other   | 2,098.1        | 9.7                         | 250.9                   | 10.5                               |
| Total fixed maturities, available for sale        | \$ 21,648.1    | 100.0 %                     | \$ 2,391.2              | 100.0 %                            |

*Below-Investment Grade Securities*

At March 31, 2024, the amortized cost of the Company's below-investment grade fixed maturity securities, available for sale, was \$1,263.7 million, or 5.3 percent of the Company's fixed maturity portfolio (or \$722.5 million, or 3.0 percent, of the Company's fixed maturity portfolio measured on credit quality ratings assigned by the NAIC). The estimated fair value of the below-investment grade portfolio was \$1,185.4 million, or 94 percent of the amortized cost.

Below-investment grade corporate debt securities typically have different characteristics than investment grade corporate debt securities. Based on historical performance, probability of default by the borrower is significantly greater for below-investment grade corporate debt securities and in many cases severity of loss is relatively greater as such securities are generally unsecured and often subordinated to other indebtedness of the issuer. Also, issuers of below-investment grade corporate debt securities frequently have higher levels of debt relative to investment-grade issuers, hence, all other things being equal, are generally more sensitive to adverse economic conditions. The Company attempts to reduce the overall risk related to its investment in below-investment grade securities, as in all investments, through careful credit analysis, strict investment policy guidelines, and diversification by issuer and/or guarantor and by industry.

**Net Realized and Unrealized Investment Losses**

During the first three months of 2024, we recognized \$5.9 million of realized losses on sales of \$197.1 million of fixed maturity securities, available for sale, including: (i) \$3.5 million related to various corporate securities; (ii) \$1.1 million related to commercial mortgage-backed securities; and (iii) \$1.3 million related to various other investments. Securities are generally sold at a loss following unforeseen issuer-specific events or conditions or shifts in perceived relative values. These reasons include but are not limited to: (i) changes in the investment environment; (ii) expectation that the market value could deteriorate; (iii) our desire to reduce our exposure to an asset class, an issuer or an industry; (iv) prospective or actual changes in credit quality; (v) better match certain characteristics of our investment portfolio with the corresponding characteristics of our insurance liabilities; or (vi) changes in expected portfolio cash flows.

During the first three months of 2023, we recognized \$14.4 million of realized losses on sales of \$288.5 million of fixed maturity securities, available for sale, including: (i) \$11.1 million related to various corporate securities; (ii) \$2.2 million related to commercial mortgage-backed securities; and (iii) \$1.1 million related to various other investments.

The following summarizes the investments sold at a loss during the first three months of 2024 which had been continuously in an unrealized loss position exceeding 20 percent of the amortized cost basis prior to the sale for the period indicated (dollars in millions):

|                                  | At date of sale   |                |            |
|----------------------------------|-------------------|----------------|------------|
|                                  | Number of issuers | Amortized cost | Fair value |
| Less than 6 months prior to sale | 1                 | \$ 3.5         | \$ 2.1     |

Future events may occur, or additional information may become available, which may necessitate future realized losses in our portfolio. Significant losses could have a material adverse effect on our consolidated financial statements in future periods.

The following table sets forth the amortized cost and estimated fair value of those fixed maturities, available for sale, with unrealized losses at March 31, 2024, by contractual maturity. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties. Structured securities frequently include provisions for periodic principal payments and permit periodic unscheduled payments.

|  | Amortized cost     | Estimated fair value  |  |
|--|--------------------|-----------------------|--|
|  |                    | (Dollars in millions) |  |
| Due in one year or less                | \$ 274.7           | \$ 264.3              |  |
| Due after one year through five years  | 1,961.0            | 1,852.8               |  |
| Due after five years through ten years | 1,059.0            | 965.6                 |  |
| Due after ten years                    | 10,856.0           | 9,114.8               |  |
| Subtotal                               | 14,150.7           | 12,197.5              |  |
| Structured securities                  | 5,618.8            | 5,141.9               |  |
| <b>Total</b>                           | <b>\$ 19,769.5</b> | <b>\$ 17,339.4</b>    |  |

The following summarizes the investments in our portfolio rated below-investment grade not deemed to have credit losses which have been continuously in an unrealized loss position exceeding 20 percent of the cost basis for the period indicated as of March 31, 2024 (dollars in millions):

|  | Number<br>of issuers | Cost<br>basis  | Unrealized<br>loss | Estimated<br>fair value |
|--|----------------------|----------------|--------------------|-------------------------|
| Greater than or equal to 6 months and less than<br>12 months | 3                    | \$ 7.5         | \$ (3.2)           | \$ 4.3                  |
| Greater than 12 months                                       | 5                    | 62.9           | (23.7)             | 39.2                    |
| <b>Total</b>   |                      | <b>\$ 70.4</b> | <b>\$ (26.9)</b>   | <b>\$ 43.5</b>          |

The following table summarizes the gross unrealized losses of our fixed maturity securities, available for sale, by category and ratings category as of March 31, 2024 (dollars in millions):

|   | Investment grade |          | Below-investment grade |         | B+ and below | \$ .6      | Total gross unrealized losses |
|---|------------------|----------|------------------------|---------|--------------|------------|-------------------------------|
|   | AAA/AA/A         | BBB      | BB                     |         |              |            |                               |
| States and political subdivisions   | \$ 369.0         | \$ 7.3   | \$ —                   | \$ .6   |              | \$ 376.9   |                               |
| Commercial mortgage-backed securities   | 163.0            | 33.4     | 20.8                   | 7.7     |              |            | 224.9                         |
| Banks   | 111.7            | 81.0     | 2.5                    | —       |              |            | 195.2                         |
| Healthcare/pharmaceuticals  | 134.7            | 48.3     | 1.7                    | .4      |              |            | 185.1                         |
| Insurance   | 91.2             | 80.1     | 2.4                    | .2      |              |            | 173.9                         |
| Utilities   | 88.4             | 61.7     | 1.0                    | —       |              |            | 151.1                         |
| Non-agency residential mortgage-backed securities   | 89.2             | 39.4     | 2.3                    | 13.3    |              |            | 144.2                         |
| Technology  | 86.5             | 38.5     | 2.5                    | .4      |              |            | 127.9                         |
| Brokerage   | 55.6             | 51.9     | .8                     | .2      |              |            | 108.5                         |
| Asset-backed securities   | 35.8             | 45.8     | 13.5                   | .3      |              |            | 95.4                          |
| Food/beverage   | 26.0             | 46.8     | .9                     | .2      |              |            | 73.9                          |
| Cable/media   | 9.8              | 57.5     | 1.3                    | 2.8     |              |            | 71.4                          |
| Real estate/REITs   | 27.6             | 15.9     | .1                     | —       |              |            | 43.6                          |
| Education   | 39.9             | 3.1      | —                      | —       |              |            | 43.0                          |
| Transportation  | 17.0             | 18.6     | —                      | .1      |              |            | 35.7                          |
| Consumer products   | 21.3             | 10.6     | 2.8                    | .6      |              |            | 35.3                          |
| Energy  | 8.1              | 26.8     | .1                     | —       |              |            | 35.0                          |
| Chemicals   | 2.6              | 28.9     | .4                     | —       |              |            | 31.9                          |
| Capital goods   | 16.9             | 11.5     | 1.9                    | .1      |              |            | 30.4                          |
| Retail  | 18.6             | 4.4      | 5.5                    | .5      |              |            | 29.0                          |
| Aerospace/defense   | 6.0              | 17.5     | —                      | .2      |              |            | 23.7                          |
| Telecom   | .1               | 23.0     | —                      | —       |              |            | 23.1                          |
| Autos   | 3.8              | 14.8     | .2                     | .2      |              |            | 19.0                          |
| Building materials  | 5.1              | 13.1     | .4                     | .1      |              |            | 18.7                          |
| United States Treasury securities and obligations of United States government corporations and agencies | 18.4             | —        | —                      | —       |              |            | 18.4                          |
| Metals and mining   | 4.8              | 8.1      | .4                     | —       |              |            | 13.3                          |
| Foreign governments   | 5.8              | 6.7      | —                      | —       |              |            | 12.5                          |
| Collateralized loan obligations   | 9.5              | .5       | —                      | —       |              |            | 10.0                          |
| Paper   | .6               | 9.0      | —                      | —       |              |            | 9.6                           |
| Entertainment/hotels  | 5.6              | 3.7      | .1                     | —       |              |            | 9.4                           |
| Agency residential mortgage-backed securities   | 2.3              | —        | —                      | —       |              |            | 2.3                           |
| Business services   | —                | .9       | .3                     | .3      |              |            | 1.5                           |
| Other   | 16.6             | .4       | .3                     | .1      |              |            | 17.4                          |
| Total fixed maturities, available for sale  | \$ 1,491.5       | \$ 809.2 | \$ 62.2                | \$ 28.3 |              | \$ 2,391.2 |                               |

Our investment strategy is to maximize, over a sustained period and within acceptable parameters of quality and risk, investment income and total investment return through active strategic asset allocation and investment management.

Accordingly, we may sell securities at a gain or a loss to enhance the projected total return of the portfolio as market opportunities change, to reflect changing perceptions of risk, or to better match certain characteristics of our investment portfolio with the corresponding characteristics of our insurance liabilities.

*Structured Securities*

At March 31, 2024, fixed maturity investments included structured securities with an estimated fair value of \$7.0 billion (or 32.4 percent of all fixed maturity securities). The yield characteristics of structured securities generally differ in some respects from those of traditional corporate fixed-income securities or government securities. For example, interest and principal payments on structured securities may occur more frequently, often monthly. In many instances, we are subject to variability in the amount and timing of principal and interest payments. For example, in many cases, partial prepayments may occur at the option of the issuer and prepayment rates are influenced by a number of factors that cannot be predicted with certainty, including: the relative sensitivity of prepayments on the underlying assets backing the security to changes in interest rates and asset values; the availability of alternative financing; a variety of economic, geographic and other factors; the timing, pace and proceeds of liquidations of defaulted collateral; and various security-specific structural considerations (for example, the repayment priority of a given security in a securitization structure). In addition, the total amount of payments for non-agency structured securities may be affected by changes to cumulative default rates or loss severities of the related collateral.

The amortized cost and estimated fair value of structured securities at March 31, 2024, summarized by type of security, were as follows (dollars in millions):

| Type  | Amortized cost | Amount     | Estimated fair value        |   |
|---|----------------|------------|-----------------------------|---|
|   |                |            | Percent of fixed maturities | % |
| Asset-backed securities                           | \$ 1,546.1     | \$ 1,453.9 | 6.7                         | % |
| Agency residential mortgage-backed securities     | 683.3          | 687.7      | 3.2                         |   |
| Non-agency residential mortgage-backed securities | 1,670.4        | 1,559.8    | 7.2                         |   |
| Collateralized loan obligations                   | 1,151.0        | 1,145.6    | 5.3                         |   |
| Commercial mortgage-backed securities             | 2,385.2        | 2,162.1    | 10.0                        |   |
| Total structured securities                       | \$ 7,436.0     | \$ 7,009.1 | 32.4                        | % |

Residential mortgage-backed securities ("RMBS") include transactions collateralized by agency-guaranteed and non-agency mortgage obligations. Non-agency RMBS investments are primarily categorized by underlying borrower credit quality: Prime, Alt-A, Non-Qualified Mortgage ("Non-QM"), and Subprime. Prime borrowers typically default with the lowest frequency, Alt-A and Non-QM default at higher rates, and Subprime borrowers default with the highest frequency. In addition to borrower credit categories, RMBS investments include Re-Performing Loan ("RPL") and Credit Risk Transfer ("CRT") transactions. RPL transactions include borrowers with prior difficulty meeting the original mortgage terms and were subsequently modified, resulting in a sustainable payback arrangement. CRT securities are collateralized by Government-Sponsored Enterprise ("GSE") conforming mortgages and Prime borrowers, but without an agency guarantee against default losses.

Commercial mortgage-backed securities ("CMBS") are secured by commercial real estate mortgages, generally income producing properties that are managed for profit. Property types include, but are not limited to, multi-family dwellings including apartments, retail centers, hotels, restaurants, hospitals, nursing homes, warehouses, and office buildings. While most CMBS have call protection features whereby underlying borrowers may not prepay their mortgages for stated periods of time without incurring prepayment penalties, recoveries on defaulted collateral may result in involuntary prepayments.

**INVESTMENTS IN VARIABLE INTEREST ENTITIES**

The following table provides supplemental information about the revenues and expenses of the VIEs which have been consolidated in accordance with authoritative guidance, after giving effect to the elimination of our investment in the VIEs and investment management fees earned by a subsidiary of the Company (dollars in millions):

|   | Three months ended |               |
|---|--------------------|---------------|
|   | March 31,          |               |
|   | 2024               | 2023          |
| <b>Revenues:</b>  |                    |               |
| Net investment income – policyholder and other special-purpose portfolios | \$ 14.0            | \$ 22.4       |
| Fee revenue and other income  | .9                 | 1.3           |
| <b>Total revenues</b>   | <b>14.9</b>        | <b>23.7</b>   |
| <b>Expenses:</b>  |                    |               |
| Interest expense  | 11.9               | 17.3          |
| Other operating expenses  | .5                 | .5            |
| <b>Total expenses</b>   | <b>12.4</b>        | <b>17.8</b>   |
| Income before net investment losses and income taxes                      | 2.5                | 5.9           |
| Net investment losses   | (3.6)              | (.6)          |
| <b>Income (loss) before income taxes</b>                                  | <b>\$ (1.1)</b>    | <b>\$ 5.3</b> |

## Supplemental Information on Investments Held by VIEs

The following table summarizes the carrying values and gross unrealized losses of the investments held by the VIEs by category as of March 31, 2024 (dollars in millions):

|                            | Carrying value  | Percent of fixed maturities | Gross unrealized losses | Percent of gross unrealized losses |
|----------------------------|-----------------|-----------------------------|-------------------------|------------------------------------|
| Cable/media                | \$ 71.4         | 13.4 %                      | \$ 3.2                  | 28.5 %                             |
| Technology                 | 68.9            | 12.9                        | 1.5                     | 13.5                               |
| Healthcare/pharmaceuticals | 62.6            | 11.7                        | 1.8                     | 16.3                               |
| Brokerage                  | 36.6            | 6.9                         | .1                      | .4                                 |
| Food/beverage              | 35.9            | 6.7                         | 1.5                     | 13.3                               |
| Chemicals                  | 27.8            | 5.2                         | .1                      | 1.1                                |
| Building materials         | 27.0            | 5.1                         | .1                      | 1.1                                |
| Capital goods              | 24.7            | 4.6                         | .4                      | 3.4                                |
| Transportation             | 23.5            | 4.4                         | .1                      | .6                                 |
| Paper                      | 23.1            | 4.3                         | .1                      | .5                                 |
| Utilities                  | 21.6            | 4.0                         | .2                      | 2.1                                |
| Autos                      | 19.5            | 3.7                         | .1                      | .7                                 |
| Consumer products          | 18.8            | 3.5                         | .4                      | 3.9                                |
| Business services          | 16.8            | 3.2                         | .4                      | 3.6                                |
| Insurance                  | 15.5            | 2.9                         | —                       | .2                                 |
| Metals and mining          | 5.1             | 1.0                         | —                       | —                                  |
| Other                      | 34.6            | 6.5                         | 1.2                     | 10.8                               |
| Total                      | <u>\$ 533.4</u> | <u>100.0 %</u>              | <u>\$ 11.2</u>          | <u>100.0 %</u>                     |

The following table sets forth the amortized cost and estimated fair value of those investments held by the VIEs with unrealized losses at March 31, 2024, by contractual maturity. Actual maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties.

|  | Amortized cost  | Estimated fair value |
|--|-----------------|----------------------|
| (Dollars in millions)                  |                 |                      |
| Due in one year or less                | \$ 12.2         | \$ 11.7              |
| Due after one year through five years  | 290.8           | 276.2                |
| Due after five years through ten years | 5.4             | 5.0                  |
| Total                                  | <u>\$ 308.4</u> | <u>\$ 292.9</u>      |

CNO FINANCIAL GROUP, INC. AND SUBSIDIARIES

The following summarizes the investments held by the VIEs sold at a loss during the first three months of 2024 which had been continuously in an unrealized loss position exceeding 20 percent of the amortized cost basis prior to the sale for the period indicated (dollars in millions):

|   | Number<br>of issuers | At date of sale |               |
|---|----------------------|-----------------|---------------|
|   |                      | Amortized cost  | Fair value    |
| Less than 6 months prior to sale  | 5                    | \$ 4.4          | \$ 3.5        |
| Greater than or equal to 6 months and less than 12 months prior to sale | 2                    | 2.8             | 1.8           |
| Greater than 12 months prior to sale                                    | 5                    | 6.9             | 3.5           |
|   |                      | <u>\$ 14.1</u>  | <u>\$ 8.8</u> |

There were no investments held by the VIEs rated below-investment grade not deemed to have credit losses which had been continuously in an unrealized loss position exceeding 20 percent of the cost basis as of March 31, 2024.

**NEW ACCOUNTING STANDARDS**

See "Recently Issued Accounting Standards" in the notes to consolidated financial statements for a discussion of recently issued accounting standards.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.**

Our market risks, and the ways we manage them, are summarized in "Management's Discussion and Analysis of Financial Condition and Results of Operations", included in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes in the first three months of 2024 to such risks or our management of such risks.

**ITEM 4. CONTROLS AND PROCEDURES.**

*Evaluation of Disclosure Controls and Procedures.* CNO's management, under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of CNO's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, (the "Exchange Act")). Based on its evaluation, the Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2024, CNO's disclosure controls and procedures were effective to ensure that information required to be disclosed by CNO in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures are also designed to reasonably assure that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

*Changes to Internal Control Over Financial Reporting.* There were no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the three months ended March 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS.

Information required for Part II, Item 1 is incorporated by reference to the discussion under the heading "Litigation and Other Legal Proceedings" in the footnotes to our consolidated financial statements included in Part I, Item 1 of this Form 10-Q.

## ITEM 1A. RISK FACTORS.

CNO and its businesses are subject to a number of risks including general business and financial risk. Any or all of such risks could have a material adverse effect on the business, financial condition or results of operations of CNO. Refer to "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, for further discussion of such risk factors. There have been no material changes from such previously disclosed risk factors.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

| Period (in 2024)               | Issuer Purchases of Equity Securities       |  |   |          | Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs (a)<br>(dollars in millions) |
|--------------------------------|---|--|---|----------|--|
|                                | Total number of shares (or units) purchased | Average price paid per share (or unit) | Total number of shares (or units) purchased as part of publicly announced plans or programs |          |  |
| January 1 through January 31   | 245,778                                     | \$ 27.69                               | 243,730   | \$ 515.1 |  |
| February 1 through February 29 | 819,613                                     | 27.01                                  | 619,446   | 498.6    |  |
| March 1 through March 31       | 748,580                                     | 26.80                                  | 619,329   | 481.8    |  |
| Total                          | <u><u>1,813,971</u></u>                     | 27.02                                  | <u><u>1,482,505</u></u>   | 481.8    |  |

(a) The Company's Board of Directors has authorized additional repurchases from time to time, most recently in May 2023 when it authorized the repurchase of an additional \$500.0 million of the Company's outstanding shares of common stock.

**ITEM 5. OTHER INFORMATION.**

During the first quarter of 2024, one officer (as defined in Rule 16a-1(f) of the Exchange Act) (the "Section 16 officers") of the Company adopted a Rule 10b5-1 trading arrangement (as defined in Item 408(a) of Regulation S-K) for the sale of the Company's common stock. The following summarizes the material terms of such Rule 10b5-1 trading arrangement, which is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act and the Company's policies regarding transactions in Company securities:

| Name and title of officer                      | Date of trading arrangement | Duration of trading arrangement (a) | Aggregate shares of common stock to be sold pursuant to the trading arrangement |
|--|-----------------------------|-------------------------------------|---|
| Michael E. Mead<br>– Chief Information Officer | February 26, 2024           | November 28, 2024                   | 12,703  |

(a) Or such earlier date that the aggregate amount of shares has been sold.

During the first quarter of 2024, other than Mr. Mead, none of the Company's directors or Section 16 officers have adopted, terminated or modified a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

## ITEM 6. EXHIBITS.

|         |  |
|---------|--|
| 3.1     | <a href="#">Amended and Restated Certificate of Incorporation of CNO Financial Group, Inc., incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed August 1, 2022.</a>   |
| 3.2     | <a href="#">Amended and Restated Bylaws of CNO Financial Group, Inc., incorporated by reference to Exhibit 3.1 of our Current Report on Form 8-K filed December 14, 2022.</a>  |
| 10.1    | <a href="#">Form of executive leadership group restricted stock unit award agreement for 2024 under the Amended and Restated Long-Term Incentive Plan.</a>   |
| 10.2    | <a href="#">Form of executive leadership group performance stock unit award agreement for 2024 under the Amended and Restated Long-Term Incentive Plan.<sup>1</sup></a>  |
| 10.3    | <a href="#">Form of restricted stock unit award agreement for 2024 under the Amended and Restated Long-Term Incentive Plan.</a>  |
| 10.4    | <a href="#">Form of performance stock unit award agreement for 2024 under the Amended and Restated Long-Term Incentive Plan.</a>   |
| 10.5    | <a href="#">Fifth Amendment and Restatement Agreement, dated as of March 30, 2024, among CNO Financial Group, Inc., the lenders party thereto and KeyBank National Association, as administrative agent for the lenders, in respect of the Credit Agreement, dated as of May 19, 2015, among CNO Financial Group, Inc., the lenders party thereto and KeyBank National Association, as administrative agent for the lenders.</a> |
| 31.1    | <a href="#">Certification Pursuant to the Securities Exchange Act Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>  |
| 31.2    | <a href="#">Certification Pursuant to the Securities Exchange Act Rule 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>  |
| 32.1    | <a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 32.2    | <a href="#">Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>  |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.  |
| 101.SCH | XBRL Taxonomy Extension Schema Document.   |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase Document.   |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase Document.  |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase Document.   |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase Document.  |
| 104     | Cover Page Interactive Data File (embedded within the Inline XBRL document).   |

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CNO FINANCIAL GROUP, INC.

Dated: May 6, 2024

By: /s/ Michellen A. Wildin

Michellen A. Wildin

Senior Vice President and Chief Accounting Officer

(authorized officer and principal accounting officer)

## CNO FINANCIAL GROUP, INC.

Re: Grant of Restricted Stock Unit Award

CNO Financial Group, Inc., a Delaware corporation (the "**Company**"), is pleased to advise you that pursuant to the Company's Amended and Restated Long-Term Incentive Plan (the "**Plan**"), the Company has granted you an award of the number of restricted share units (the "**Restricted Shares**") set forth on the Company's stock plan administration vendor website (the "**Award Summary**"), effective as of the date set forth on the Award Summary (the "**Date of Grant**"), subject to the terms and conditions of the Plan and the terms and conditions set forth herein. Any capitalized terms used herein and not defined herein have the meaning set forth in the Plan.

1. **Restricted Shares.** Each Restricted Share represents the right to receive one share of the Company's Common Stock, par value \$.01 per share ("**Common Stock**"), plus Dividend Equivalents thereon (as described in Section 5(b) below) subject to satisfaction of the service vesting criteria set forth on the Award Summary. Upon satisfaction of such vesting criteria, the shares of Common Stock that have vested will be issued to you. When issued, the shares of Common Stock shall be fully paid and nonassessable.

2. **Restrictions on Transfer.** You may not sell, assign, transfer, convey, pledge, exchange or otherwise encumber or dispose the Restricted Shares, except to the Company, until they have become nonforfeitable as provided in paragraph 3 hereof and in accordance with Section 6 of the Plan. Any purported encumbrance or disposition in violation of the provisions of this paragraph 2 shall be void ab initio, and the other party to any such purported transaction shall not obtain any rights to or interest in the Restricted Shares.

3. **Vesting of Restricted Shares.**

(a) Except as provided in paragraphs 3(b) – (e) and 4(b) below, the Restricted Shares shall vest and shares of Common Stock shall be issued to you only if you remain a director, officer or employee (or an approved service provider) of the Company or a Subsidiary through the vesting dates set forth on the Award Summary.

(b) In the event your employment is terminated by the Company or a Subsidiary without Cause or by you for Good Reason within six months prior to and in anticipation of or within 24 months after a Change in Control has occurred, any unvested Restricted Shares shall vest in full as of such date of termination.

(c) If your employment is terminated by the Company or a Subsidiary due to your death, any unvested Restricted Shares shall vest in full as of such date.

(d) If your employment is terminated by the Company or a Subsidiary due to your Disability, any unvested Restricted Shares shall continue to vest thereafter on the same vesting schedule as if you had remained an employee.

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(e) If your employment is terminated by the Company or a Subsidiary for any reason other than Cause, death or Disability (or in connection with a Change in Control), then a pro rata portion of the next installment of the Restricted Shares shall vest and you shall be entitled to receive Common Stock for the pro rata portion as of the date of the next such installment. For purposes of the foregoing, the pro rata portion shall be calculated based on the number of days from the date on which the most recent installment of the Restricted Shares vested (or if no installments have vested, from the date of grant) to the date of termination divided by the number of days between the date on which the most recent installment of the Restricted Shares vested (or if no installments have vested, from the date of grant) to the date on which the next installment of the Restricted Shares is scheduled to vest.

**4. Forfeiture of Restricted Shares**

(a) Except as expressly set forth in paragraph 4(b) below or in any written employment agreement between you and the Company or a Subsidiary (whether entered into prior to or after the date of this agreement), if you cease to be (or do not become) a director, officer or employee of the Company or a Subsidiary (or cease (or do not begin) to otherwise perform services for the Company or a Subsidiary) for any reason, except as and to the extent the Restricted Shares have vested pursuant to paragraph 3 hereof, you shall forfeit the portion of the Restricted Shares which has not vested and the Restricted Shares so forfeited shall be cancelled.

(b) If you elect to terminate your employment with the Company or a Subsidiary and you satisfy the definition of Retirement set forth in the Plan, then any unvested Restricted Shares shall continue to vest after your retirement on the same vesting schedules as if you had remained an employee. In addition, in the event that you resign your employment with the Company and satisfy the terms and conditions set forth in the Company's good leaver (or similar) policy as in effect from time to time in connection with such resignation, the Committee may, in the sole and absolute discretion, determine to treat your resignation as qualifying for additional vesting for the purposes of any or all of the then-unvested Restricted Shares granted under this agreement and any or all of the then-unvested Restricted Shares granted under other agreements, in each case, even if such resignation would not otherwise qualify as a Retirement under the Plan.

**5. Dividend, Voting and Other Rights**

(a) Until issuance of shares of Common Stock pursuant to Section 1 hereof, you shall have no voting or other rights of a stockholder with respect to the Restricted Shares.

(b) Dividend Equivalents. You shall have the right to receive Dividend Equivalents on Restricted Shares that become vested hereunder, payable in cash without interest, to the extent that (i) cash dividends are paid or payable on the Common Stock underlying the Restricted Shares after the date of this agreement and prior to the issuance of shares of Common Stock underlying the Restricted Shares and (ii) the record date for such payment of cash dividends was on or after the date of this agreement. Such Dividend Equivalents shall be subject to any required tax withholding, and shall be payable on or about such date or dates as the cash dividends are paid on the underlying Common Stock.

**6. Certain Definitions**. For the purposes of this agreement, the following terms have the meanings set forth below:

"Board" means the Board of Directors of the Company.

**"Cause"** means the occurrence of one or more of the following events, as determined by the Committee:

- (i) commission of (x) a felony or (y) any crime or offense lesser than a felony involving the property of the Company or a Subsidiary; or
- (ii) conduct that has caused demonstrable and serious injury to the Company or a Subsidiary, monetary or otherwise; or
- (iii) willful refusal to perform or substantial disregard of duties properly assigned; or
- (iv) breach of duty of loyalty to the Company or a Subsidiary or other act of fraud or dishonesty with respect to the Company or a Subsidiary.

**"Change in Control"** means the occurrence of any of the following events:

(i) the acquisition (other than an acquisition in connection with a "Non-Control Transaction" (as defined below)) by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) of "beneficial ownership" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company or its Ultimate Parent representing 51% or more of the combined voting power of the then outstanding securities of the Company or its Ultimate Parent entitled to vote generally with respect to the election of the board of directors of the Company or its Ultimate Parent; or

(ii) as a result of or in connection with a tender or exchange offer or contest for election of directors, individual board members of the Company (identified as of the date of commencement of such tender or exchange offer, or the commencement of such election contest, as the case may be) cease to constitute at least a majority of the board of directors of the Company; or

(iii) the consummation of a merger, consolidation or reorganization with or into the Company unless (x) the stockholders of the Company immediately before such transaction beneficially own, directly or indirectly, immediately following such transaction securities representing 51% or more of the combined voting power of the then outstanding securities entitled to vote generally with respect to the election of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent and (y) individual board members of the Company (identified as of the date that a binding agreement providing for such transaction is signed) constitute at least a majority of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent (a transaction to which clauses (x) and (y) apply, a "Non-Control Transaction").

**"Disability"** means that, solely because of injury or sickness, you are either: (i) unable to perform all the material duties of the occupation that you routinely performed just prior to the date the Disability begins; or (ii) unable to earn 80% or more of your annual salary in effect just prior to the date the Disability begins.

**"Fair Market Value"** of a share of Common Stock of the Company means, as of the date in question, the officially-quoted closing selling price of the stock (or if no selling price is quoted, the bid price) on the principal securities exchange on which the Common Stock is then listed for trading (including for this purpose the Nasdaq National Market) (the "Market") for the applicable trading day or,

if the Common Stock is not then listed or quoted in the Market, the Fair Market Value shall be the fair value of the Common Stock determined in good faith by the Board.

**"Good Reason"** means (i) any material diminution in the nature or scope of your authority, duties or responsibilities from those you had as of the date immediately preceding the Change in Control, (ii) requiring your relocation to a location more than 50 miles from your primary location of employment immediately preceding the Change in Control without your consent or (iii) any reduction in your base salary or target bonus opportunity without your consent.

**"Subsidiary"** means a corporation or other entity of which outstanding shares or ownership interests representing 50% or more of the combined voting power of such corporation or other entity entitled to elect the management thereof, or such lesser percentage as may be approved by the Committee, are owned directly or indirectly by the Company.

**"Ultimate Parent"** means the parent corporation (or if there is more than one parent corporation, the ultimate parent corporation) that, following a transaction, directly or indirectly beneficially owns a majority of the voting power of the outstanding securities entitled to vote with respect to the election of the board of directors of the Company (or its successor).

**7. Withholding Taxes.** If the Company or any Subsidiary shall be required to withhold any federal, state, local or foreign tax in connection with any issuance or vesting of Restricted Shares or other securities pursuant to this agreement, and the amounts available to the Company or such Subsidiary for such withholding are insufficient, you shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. If permitted at such time by the Company, you may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company or such Subsidiary a portion of the Restricted Shares that become nonforfeitable hereunder, and the Restricted Shares so surrendered by you shall be credited against any such withholding obligation at the Fair Market Value of such Restricted Shares on the date of such surrender.

**8. No Special Right to Employment.** Nothing in this agreement shall interfere with or limit in any way the right of the Company to terminate your employment or other performance of services at any time, nor confer upon you any right to continue in the employ or as a director or officer of, or in the performance of other services for, the Company or a Subsidiary for any period of time, or to continue your present (or any other) rate of compensation or level of responsibility. Nothing in this agreement shall confer upon you any right to be selected again as a Plan participant, and nothing in the Plan or this agreement shall provide for any adjustment to the number of Restricted Shares upon the occurrence of subsequent events except as provided in the Plan.

**9. Relation to Other Benefits.** Any economic or other benefit to you under this agreement or the Plan shall not be taken into account in determining any benefits to which you may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

**10. Amendments to Plan.** Any amendment to the Plan shall be deemed to be an amendment to this agreement to the extent that the amendment is applicable hereto: provided, however, that no amendment shall adversely affect your rights under this agreement without your consent.

**11. Severability.** Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this agreement.

**12. Conformity with Plan.** This agreement and the Restricted Shares granted pursuant hereto are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan (which is incorporated herein by reference). Inconsistencies between this agreement and the Plan shall be resolved in accordance with the terms of the Plan. By accepting the award you acknowledge your receipt of this agreement and the Plan and agree to be bound by all of the terms of this agreement and the Plan.

**13. Successors and Assigns.** Except as otherwise expressly provided herein, all covenants and agreements contained in this agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto whether so expressed or not.

**14. Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this agreement shall be in writing and shall be deemed to have been given when (i) delivered personally, (ii) mailed by certified or registered mail, return receipt requested and postage prepaid or (iii) sent by reputable overnight courier, to the recipient. Such notices, demands and other communications shall be sent to you at the address on file with the Company and to the Company at Post Office Box 1968 Carmel, Indiana 46082, Attn: General Counsel, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

**15. Governing Law.** THE VALIDITY, CONSTRUCTION, INTERPRETATION, ADMINISTRATION AND EFFECT OF THE PLAN, AND OF ITS RULES AND REGULATIONS, AND RIGHTS RELATING TO THE PLAN AND TO THIS AGREEMENT, SHALL BE GOVERNED BY THE SUBSTANTIVE LAWS, BUT NOT THE CHOICE OF LAW RULES, OF THE STATE OF DELAWARE.

**16. Descriptive Headings.** The descriptive headings of this agreement are inserted for convenience only and do not constitute a part of this agreement.

**17. Entire Agreement.** This agreement, any written employment agreement between you and the Company or a Subsidiary to the extent contemplated by paragraph 4(a) hereof, and the terms of the Plan constitute the entire understanding between you and the Company, and supersede all other agreements, whether written or oral, with respect to your acquisition of the Restricted Shares.

**18. Section 409A.** The Restricted Shares awarded hereunder are intended to be Non-409A Awards (as defined in the Plan) and are at all times intended to comply with Section 409A of the Code, as provided under the Plan. To the extent that Section 409A(a)(2)(B)(i) (regarding certain payments to "key employees" in connection with a separation from service) requires the Company to delay payment and/or other delivery beyond the date(s) otherwise specified in this agreement, the Company shall pay such amounts to you upon the earliest date permitted under Section 409A(a)(2)(B)(i) of the Code without incurring excise tax.

Details of the Award of Restricted Shares are displayed on the Company's equity administration website in the Award Summary.

To execute this agreement and confirm your understanding and acceptance of the agreements contained you must click the Accept button.

Very truly yours,

**CNO FINANCIAL GROUP, INC.**

By: Yvonne K. Franzese, Chief Human Resources Officer

## CNO FINANCIAL GROUP, INC.

Re: **Grant of Performance Share Award**

CNO Financial Group, Inc., a Delaware corporation (the "Company" or "CNO"), is pleased to advise you that pursuant to the Company's Amended and Restated Long-Term Incentive Plan (the "Plan"), the Company has granted you an award of the number of performance share units set forth on the Company's stock plan administration vendor's website (the "Award Summary"), effective as of the date displayed on the Award Summary (the "Grant Date"), subject to the terms and conditions of the Plan and the terms and conditions set forth herein. Any capitalized terms used herein and not defined herein have the meaning set forth in the Plan.

**1. Performance Shares.** Each Performance Share represents the right to receive one share of the Company's Common Stock, par value \$.01 per share ("Common Stock"), plus Dividend Equivalents thereon (as described in Section 5(b) below) subject to satisfaction of the service and performance-based vesting criteria described in Section 3 below and Schedule A-1 of the Award Summary. Upon satisfaction of such vesting criteria, the shares of Common Stock that have vested will be issued to you. When issued, the shares of Common Stock shall be fully paid and nonassessable.

**2. Transfer Restrictions.** You may not sell, assign, transfer, convey, pledge, exchange or otherwise encumber or dispose of the Performance Shares, except to the Company. Any purported encumbrance or disposition in violation of the provisions of this Section 2 shall be void *ab initio*, and the other party to any such purported transaction shall not obtain any rights to or interest in the Performance Shares.

**3. Vesting of Performance Shares.**

(a) The Performance Shares shall vest (in whole or in part) based upon satisfying the vesting criteria set forth on Schedule A-1 of the Award Summary. Except as set forth below, underlying shares of Common Stock shall be issued to you only if you remain employed by the Company or a Subsidiary through the vesting date of the Performance Shares, which is anticipated to occur no later than March 15, 2027. Decisions regarding vesting and payment of the Performance Shares shall be final as determined by the Committee in its sole and absolute discretion.

(b) If you elect to terminate your employment with the Company or a Subsidiary and you satisfy the definition of Retirement set forth in the Plan, or if your employment is terminated by the Company or a Subsidiary for any reason other than Cause, death or Disability (unless the termination is in connection with a Change in Control), then a pro rata portion of the Performance Shares shall vest (based on the number of days from January 1, 2024 to and including the date of your Retirement divided by 1,096) and, to the extent the performance criteria are met, such pro rata portion shall be issued at the same time as others receive shares of Common Stock under this award. In addition, in the event that you resign your employment with the Company and satisfy the terms and conditions set forth in the Company's good leaver (or similar) policy as in effect from time to time in connection with such resignation, the Committee may, in the sole and absolute discretion, determine to treat your resignation as qualifying for additional vesting for the purposes

of any or all of the then-unvested Performance Shares granted under this agreement and any or all of the then-unvested Performance Shares granted to you under other agreements, in each case, even if such resignation would not otherwise qualify as a Retirement under the Plan.

(c) If your employment is terminated by the Company or a Subsidiary due to your death or Disability, then a pro rata portion of the Performance Shares shall vest (based on the number of days from the beginning of the performance period to and including the date your employment is terminated) and, to the extent the performance criteria are met, such pro rata portion shall be issued at the same time as others receive shares of Common Stock under such award.

(d) Any Performance Shares that do not vest pursuant to Sections 3(a) - 3(c) above shall be cancelled.

(e) In the event your employment is terminated by the Company or a Subsidiary without Cause or by you for Good Reason within six months prior to and in anticipation of or within 24 months after a Change in Control has occurred, a pro rata portion of any unvested Performance Shares shall vest (based on the number of days from the beginning of the performance period to and including the date your employment is terminated) on such date.

**4. Forfeiture of Performance Shares.** Except as set forth in Section 3 above or expressly set forth in any written agreement between you and the Company or a Subsidiary (whether entered into prior to or after the date of this letter agreement), if you cease to be an employee of the Company or a Subsidiary for any reason, except as and to the extent the Common Stock underlying the Performance Shares has been issued to you, you shall forfeit the remaining portion of the Performance Shares.

**5. Dividend, Voting and Other Rights.**

(a) Until issuance of shares of Common Stock pursuant to Section 1 hereof, you shall have no voting or other rights of a stockholder with respect to the Performance Shares.

(b) *Dividend Equivalents.* You shall have the right to receive Dividend Equivalents on Performance Shares that become vested hereunder, payable in cash without interest, to the extent that (i) cash dividends are paid or payable on the Common Stock underlying the Performance Shares after the date of this agreement and prior to the issuance of shares of Common Stock underlying the Performance Shares and (ii) the record date for such payment of cash dividends was on or after the date of this agreement. Such Dividend Equivalents shall be subject to any required tax withholding, and shall be payable on or about such date or dates as the underlying Common Stock is issued to you in an amount equal to the number of shares of Common Stock delivered in respect of your vested Performance Shares multiplied by the aggregate per share dividends declared and paid on or after the date of this letter agreement and prior to the issuance of shares of Common Stock underlying the Performance Shares.

**6. Certain Definitions.** For the purposes of this letter agreement, the following terms have the meanings set forth below:

**“Board”** means the Board of Directors of the Company.

**“Cause”** means the occurrence of one or more of the following events, as determined by the Committee:

- (i) commission of (x) a felony or (y) any crime or offense lesser than a felony involving the property of the Company or a Subsidiary; or
- (ii) conduct that has caused demonstrable and serious injury to the Company or a Subsidiary, monetary or otherwise; or
- (iii) willful refusal to perform or substantial disregard of duties properly assigned; or
- (iv) breach of duty of loyalty to the Company or a Subsidiary or other act of fraud or dishonesty with respect to the Company or a Subsidiary.

**“Change in Control”** means the occurrence of any of the following events:

(i) the acquisition (other than an acquisition in connection with a “Non-Control Transaction” (as defined below)) by any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) of “beneficial ownership” (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company or its Ultimate Parent representing 51% or more of the combined voting power of the then outstanding securities of the Company or its Ultimate Parent entitled to vote generally with respect to the election of the board of directors of the Company or its Ultimate Parent; or

(ii) as a result of or in connection with a tender or exchange offer or contest for election of directors, individual board members of the Company (identified as of the date of commencement of such tender or exchange offer, or the commencement of such election contest, as the case may be) cease to constitute at least a majority of the board of directors of the Company; or

(iii) the consummation of a merger, consolidation or reorganization with or into the Company unless (x) the stockholders of the Company immediately before such transaction beneficially own, directly or indirectly, immediately following such transaction securities representing 51% or more of the combined voting power of the then outstanding securities entitled to vote generally with respect to the election of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent and (y) individual board members of the Company (identified as of the date that a binding agreement providing for such transaction is signed) constitute at least a majority of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent (a transaction to which clauses (x) and (y) apply, a “**Non-Control Transaction**”).

**“Committee”** means the Human Resources and Compensation Committee of the Company’s Board of Directors.

**“Disability”** means that, solely because of injury or sickness, you are either: (i) unable to perform all the material duties of the occupation that you routinely performed just prior to the date the Disability begins; or (ii) unable to earn 80% or more of your annual salary in effect just prior to the date the Disability begins.

**“Good Reason”** means (i) any material diminution in the nature or scope of your authority, duties or responsibilities from those you had as of the date immediately preceding the Change in Control, (ii) requiring your relocation to a location more than 50 miles from your primary location of employment immediately preceding the Change in Control without your consent or (iii) any reduction in your base salary or target bonus opportunity without your consent.

**“Subsidiary”** means a subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

**“Ultimate Parent”** means the parent corporation (or if there is more than one parent corporation, the ultimate parent corporation) that, following a transaction, directly or indirectly beneficially owns a majority of the voting power of the outstanding securities entitled to vote with respect to the election of the board of directors of the Company (or its successor).

**7. Withholding Taxes.** If the Company or any Subsidiary shall be required to withhold any federal, state, local or foreign tax in connection with any issuance or vesting of Performance Shares or other securities pursuant to this agreement, and the amounts available to the Company or such Subsidiary for such withholding are insufficient, you shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. If permitted at such time by the Company, you may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company or such Subsidiary a portion of the Performance Shares that become nonforfeitable hereunder, and the Performance Shares so surrendered by you shall be credited against any such withholding obligation at the Fair Market Value of the Common Stock underlying such Performance Shares on the date of such surrender.

**8. No Special Right to Employment.** Nothing in this agreement shall interfere with or limit in any way the right of the Company to terminate your employment or other performance of services at any time, nor confer upon you any right to continue in the employ or as a director or officer of, or in the performance of other services for, the Company or a Subsidiary for any period of time, or to continue your present (or any other) rate of compensation or level of responsibility. Nothing in this agreement shall confer upon you any right to be selected again as a Plan participant, and nothing in the Plan or this agreement shall provide for any adjustment to the number of Performance Shares upon the occurrence of subsequent events except as provided in the Plan.

**9. Relation to Other Benefits.** Any economic or other benefit to you under this agreement or the Plan shall not be taken into account in determining any benefits to which you may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

**10. Amendments to Plan.** Any amendment to the Plan shall be deemed to be an amendment to this agreement to the extent that the amendment is applicable hereto provided, however, that no amendment shall adversely affect your rights under this agreement without your consent.

**11. Severability.** Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this agreement.

**12. Conformity with Plan.** This agreement and the Performance Shares granted pursuant hereto are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan (which is incorporated herein by reference). Inconsistencies between this agreement and the Plan shall be resolved in accordance with the terms of the Plan. By accepting this grant of Performance Shares on the Company's equity administration website, you acknowledge your receipt of this agreement and the Plan and agree to be bound by all of the terms of this agreement and the Plan.

**13. Successors and Assigns.** Except as otherwise expressly provided herein, all covenants and agreements contained in this agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto whether so expressed or not.

**14. Notices.** All notices, demands or other communications to be given or delivered under or by reason of the provisions of this agreement shall be in writing and shall be deemed to have been given when (i) delivered personally, (ii) mailed by certified or registered mail, return receipt requested and postage prepaid or (iii) sent by reputable overnight courier, to the recipient. Such notices, demands and other communications shall be sent to you at the address on file with the Company and to the Company at Post Office Box 1968, Carmel, Indiana 46082, Attn: General Counsel, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

**15. Governing Law.** THE VALIDITY, CONSTRUCTION, INTERPRETATION, ADMINISTRATION AND EFFECT OF THE PLAN, AND OF ITS RULES AND REGULATIONS, AND RIGHTS RELATING TO THE PLAN AND TO THIS AGREEMENT, SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE PROVISIONS OF FEDERAL LAW.

**16. Descriptive Headings.** The descriptive headings of this agreement are inserted for convenience only and do not constitute a part of this agreement.

**17. Entire Agreement.** This agreement, any written agreement between you and the Company or a Subsidiary to the extent contemplated by Section 4 hereof, and the terms of the Plan constitute the entire understanding between you and the Company, and supersede all other agreements, whether written or oral, with respect to your acquisition of the Performance Shares.

**18. Section 409A.** The Performance Shares awarded hereunder are intended to comply with Section 409A of the Code, as provided under the Plan. In accordance therewith, to the extent that Section 409A(a)(2)(B)(i) (regarding certain payments to "key employees" in connection with a separation from service) requires the Company to delay payment and /or delivery of shares of Common Stock in respect of your vesting Performance Shares beyond the date(s) otherwise specified in this agreement, the Company shall pay such amounts to you upon the earliest date permitted under 409A(a)(2)(B)(i) of the Code with incurring excise tax.

Details of the Award are set forth in the Award Summary.

To execute this agreement and confirm your understanding and acceptance of the agreements contained you must click the Accept button.

Very truly yours,

**CNO FINANCIAL GROUP, INC.**

By: Yvonne K. Franzese, Chief Human Resources Officer

## CNO FINANCIAL GROUP, INC.

Re: Grant of Restricted Stock Unit Award

CNO Financial Group, Inc., a Delaware corporation (the "**Company**"), is pleased to advise you that pursuant to the Company's Amended and Restated Long-Term Incentive Plan (the "**Plan**"), the Company has granted you an award of the number of restricted share units (the "**Restricted Shares**") set forth on the Company's stock plan administration vendor website (the "**Award Summary**"), effective as of the date set forth on the Award Summary (the "**Date of Grant**"), subject to the terms and conditions of the Plan and the terms and conditions set forth herein. Any capitalized terms used herein and not defined herein have the meaning set forth in the Plan.

1. **Restricted Shares.** Each Restricted Share represents the right to receive one share of the Company's Common Stock, par value \$0.01 per share ("**Common Stock**"), plus Dividend Equivalents thereon (as described in Section 5(b) below) subject to satisfaction of the service vesting criteria set forth on the Award Summary. Upon satisfaction of such vesting criteria, the shares of Common Stock that have vested will be issued to you. When issued, the shares of Common Stock shall be fully paid and nonassessable.

2. **Restrictions on Transfer.** You may not sell, assign, transfer, convey, pledge, exchange or otherwise encumber or dispose the Restricted Shares, except to the Company, until they have become nonforfeitable as provided in paragraph 3 hereof and in accordance with Section 6 of the Plan. Any purported encumbrance or disposition in violation of the provisions of this paragraph 2 shall be void ab initio, and the other party to any such purported transaction shall not obtain any rights to or interest in the Restricted Shares.

3. **Vesting of Restricted Shares.**

(a) Except as provided in paragraphs 3(b) – (e) and 4(b) below, the Restricted Shares shall vest and shares of Common Stock shall be issued to you only if you remain a director, officer or employee (or an approved service provider) of the Company or a Subsidiary through the vesting dates set forth on the Award Summary.

(b) In the event your employment is terminated by the Company or a Subsidiary without Cause or by you for Good Reason within six months prior to and in anticipation of or within 24 months after a Change in Control has occurred, any unvested Restricted Shares shall vest in full as of such date of termination.

(c) If your employment is terminated by the Company or a Subsidiary due to your death, any unvested Restricted Shares shall vest in full as of such date.

(d) If your employment is terminated by the Company or a Subsidiary due to your Disability, any unvested Restricted Shares shall continue to vest thereafter on the same vesting schedule as if you had remained an employee.

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(e) If your employment is terminated by the Company or a Subsidiary for any reason other than Cause, death or Disability (or in connection with a Change in Control), then a pro rata portion of the next installment of the Restricted Shares shall vest and you shall be entitled to receive Common Stock for the pro rata portion as of the date of the next such installment. For purposes of the foregoing, the pro rata portion shall be calculated based on the number of days from the date on which the most recent installment of the Restricted Shares vested (or if no installments have vested, from the date of grant) to the date of termination divided by the number of days between the date on which the most recent installment of the Restricted Shares vested (or if no installments have vested, from the date of grant) to the date on which the next installment of the Restricted Shares is scheduled to vest.

4. Forfeiture of Restricted Shares

(a) Except as expressly set forth in paragraph 4(b) below or in any written employment agreement between you and the Company or a Subsidiary (whether entered into prior to or after the date of this agreement), if you cease to be (or do not become) a director, officer or employee of the Company or a Subsidiary (or cease (or do not begin) to otherwise perform services for the Company or a Subsidiary) for any reason, except as and to the extent the Restricted Shares have vested pursuant to paragraph 3 hereof, you shall forfeit the portion of the Restricted Shares which has not vested and the Restricted Shares so forfeited shall be cancelled.

(b) If you elect to terminate your employment with the Company or a Subsidiary and you satisfy the definition of Retirement set forth in the Plan, then any unvested Restricted Shares shall continue to vest after your retirement on the same vesting schedules as if you had remained an employee.

5. Dividend, Voting and Other Rights

(a) Until issuance of shares of Common Stock pursuant to Section 1 hereof, you shall have no voting or other rights of a stockholder with respect to the Restricted Shares.

(b) *Dividend Equivalents.* You shall have the right to receive Dividend Equivalents on Restricted Shares that become vested hereunder, payable in cash without interest, to the extent that (i) cash dividends are paid or payable on the Common Stock underlying the Restricted Shares after the date of this agreement and prior to the issuance of shares of Common Stock underlying the Restricted Shares and (ii) the record date for such payment of cash dividends was on or after the date of this agreement. Such Dividend Equivalents shall be subject to any required tax withholding, and shall be payable on or about such date or dates as the cash dividends are paid on the underlying Common Stock.

6. Certain Definitions. For the purposes of this agreement, the following terms have the meanings set forth below:

"Board" means the Board of Directors of the Company.

"Cause" means the occurrence of one or more of the following events, as determined by the Committee:

- (i) commission of (x) a felony or (y) any crime or offense lesser than a felony involving the property of the Company or a Subsidiary; or
- (ii) conduct that has caused demonstrable and serious injury to the Company or a Subsidiary, monetary or otherwise; or
- (iii) willful refusal to perform or substantial disregard of duties properly assigned; or
- (iv) breach of duty of loyalty to the Company or a Subsidiary or other act of fraud or dishonesty with respect to the Company or a Subsidiary.

"Change in Control" means the occurrence of any of the following events:

(i) the acquisition (other than an acquisition in connection with a "Non-Control Transaction" (as defined below)) by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) of "beneficial ownership" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company or its Ultimate Parent representing 51% or more of the combined voting power of the then outstanding securities of the Company or its Ultimate Parent entitled to vote generally with respect to the election of the board of directors of the Company or its Ultimate Parent; or

(ii) as a result of or in connection with a tender or exchange offer or contest for election of directors, individual board members of the Company (identified as of the date of commencement of such tender or exchange offer, or the commencement of such election contest, as the case may be) cease to constitute at least a majority of the board of directors of the Company; or

(iii) the consummation of a merger, consolidation or reorganization with or into the Company unless (x) the stockholders of the Company immediately before such transaction beneficially own, directly or indirectly, immediately following such transaction securities representing 51% or more of the combined voting power of the then outstanding securities entitled to vote generally with respect to the election of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent and (y) individual board members of the Company (identified as of the date that a binding agreement providing for such transaction is signed) constitute at least a majority of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent (a transaction to which clauses (x) and (y) apply, a "Non-Control Transaction").

"Disability" means that, solely because of injury or sickness, you are either: (i) unable to perform all the material duties of the occupation that you routinely performed just prior to the date the Disability begins; or (ii) unable to earn 80% or more of your annual salary in effect just prior to the date the Disability begins.

"Fair Market Value" of a share of Common Stock of the Company means, as of the date in question, the officially-quoted closing selling price of the stock (or if no selling price is quoted, the bid price) on the principal securities exchange on which the Common Stock is then listed for trading (including for this purpose the Nasdaq National Market) (the "Market") for the applicable

trading day or, if the Common Stock is not then listed or quoted in the Market, the Fair Market Value shall be the fair value of the Common Stock determined in good faith by the Board.

“Good Reason” means (i) any material diminution in the nature or scope of your authority, duties or responsibilities from those you had as of the date immediately preceding the Change in Control, (ii) requiring your relocation to a location more than 50 miles from your primary location of employment immediately preceding the Change in Control without your consent or (iii) any reduction in your base salary or target bonus opportunity without your consent.

“Subsidiary” means a corporation or other entity of which outstanding shares or ownership interests representing 50% or more of the combined voting power of such corporation or other entity entitled to elect the management thereof, or such lesser percentage as may be approved by the Committee, are owned directly or indirectly by the Company.

“Ultimate Parent” means the parent corporation (or if there is more than one parent corporation, the ultimate parent corporation) that, following a transaction, directly or indirectly beneficially owns a majority of the voting power of the outstanding securities entitled to vote with respect to the election of the board of directors of the Company (or its successor).

7. Withholding Taxes. If the Company or any Subsidiary shall be required to withhold any federal, state, local or foreign tax in connection with any issuance or vesting of Restricted Shares or other securities pursuant to this agreement, and the amounts available to the Company or such Subsidiary for such withholding are insufficient, you shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. If permitted at such time by the Company, you may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company or such Subsidiary a portion of the Restricted Shares that become nonforfeitable hereunder, and the Restricted Shares so surrendered by you shall be credited against any such withholding obligation at the Fair Market Value of such Restricted Shares on the date of such surrender.

8. No Special Right to Employment Nothing in this agreement shall interfere with or limit in any way the right of the Company to terminate your employment or other performance of services at any time, nor confer upon you any right to continue in the employ or as a director or officer of, or in the performance of other services for, the Company or a Subsidiary for any period of time, or to continue your present (or any other) rate of compensation or level of responsibility. Nothing in this agreement shall confer upon you any right to be selected again as a Plan participant, and nothing in the Plan or this agreement shall provide for any adjustment to the number of Restricted Shares upon the occurrence of subsequent events except as provided in the Plan.

9. Relation to Other Benefits. Any economic or other benefit to you under this agreement or the Plan shall not be taken into account in determining any benefits to which you may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

10. Amendments to Plan. Any amendment to the Plan shall be deemed to be an amendment to this agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect your rights under this agreement without your consent.

11. Severability. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this agreement.

12. Conformity with Plan. This agreement and the Restricted Shares granted pursuant hereto are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan (which is incorporated herein by reference). Inconsistencies between this agreement and the Plan shall be resolved in accordance with the terms of the Plan. By accepting the award you acknowledge your receipt of this agreement and the Plan and agree to be bound by all of the terms of this agreement and the Plan.

13. Successors and Assigns. Except as otherwise expressly provided herein, all covenants and agreements contained in this agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto whether so expressed or not.

14. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this agreement shall be in writing and shall be deemed to have been given when (i) delivered personally, (ii) mailed by certified or registered mail, return receipt requested and postage prepaid or (iii) sent by reputable overnight courier, to the recipient. Such notices, demands and other communications shall be sent to you at the address on file with the Company and to the Company at Post Office Box 1968 Carmel, Indiana 46082, Attn: General Counsel, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

15. Governing Law. THE VALIDITY, CONSTRUCTION, INTERPRETATION, ADMINISTRATION AND EFFECT OF THE PLAN, AND OF ITS RULES AND REGULATIONS, AND RIGHTS RELATING TO THE PLAN AND TO THIS AGREEMENT, SHALL BE GOVERNED BY THE SUBSTANTIVE LAWS, BUT NOT THE CHOICE OF LAW RULES, OF THE STATE OF DELAWARE.

16. Descriptive Headings. The descriptive headings of this agreement are inserted for convenience only and do not constitute a part of this agreement.

17. Entire Agreement. This agreement, any written employment agreement between you and the Company or a Subsidiary to the extent contemplated by paragraph 4(a) hereof, and the terms of the Plan constitute the entire understanding between you and the Company, and supersede all other agreements, whether written or oral, with respect to your acquisition of the Restricted Shares.

18. **Section 409A.** The Restricted Shares awarded hereunder are intended to be Non-409A Awards (as defined in the Plan) and are at all times intended to comply with Section 409A of the Code, as provided under the Plan. To the extent that Section 409A(a)(2)(B)(i) (regarding certain payments to "key employees" in connection with a separation from service) requires the Company to delay payment and/or other delivery beyond the date(s) otherwise specified in this agreement, the Company shall pay such amounts to you upon the earliest date permitted under Section 409A(a)(2)(B)(i) of the Code without incurring excise tax.

Details of the Award of Restricted Shares are displayed on the Company's equity administration website in the Award Summary.

To execute this agreement and confirm your understanding and acceptance of the agreements contained you must click the Accept button.

Very truly yours,

**CNO FINANCIAL GROUP, INC.**

By: Yvonne K. Franzese, Chief Human Resources Officer

## CNO FINANCIAL GROUP, INC.

Re: **Grant of Performance Share Award**

CNO Financial Group, Inc., a Delaware corporation (the "**Company**" or "CNO"), is pleased to advise you that pursuant to the Company's Amended and Restated Long-Term Incentive Plan (the "**Plan**"), the Company has granted you an award of the number of performance share units set forth on the Company's stock plan administration vendor's website (the **Award Summary**), effective as of the date displayed on the Award Summary (the **Grant Date**), subject to the terms and conditions of the Plan and the terms and conditions set forth herein. Any capitalized terms used herein and not defined herein have the meaning set forth in the Plan.

1. **Performance Shares.** Each Performance Share represents the right to receive one share of the Company's Common Stock, par value \$.01 per share ("**Common Stock**"), plus Dividend Equivalents thereon (as described in Section 5(b) below) subject to satisfaction of the service and performance-based vesting criteria described in Section 3 below and Schedule A-1 of the Award Summary. Upon satisfaction of such vesting criteria, the shares of Common Stock that have vested will be issued to you. When issued, the shares of Common Stock shall be fully paid and nonassessable.

2. **Transfer Restrictions.** You may not sell, assign, transfer, convey, pledge, exchange or otherwise encumber or dispose of the Performance Shares, except to the Company. Any purported encumbrance or disposition in violation of the provisions of this Section 2 shall be void *ab initio*, and the other party to any such purported transaction shall not obtain any rights to or interest in the Performance Shares.

3. Vesting of Performance Shares.

(a) The Performance Shares shall vest (in whole or in part) based upon satisfying the vesting criteria set forth on Schedule A-1 of the Award Summary. Except as set forth below, underlying shares of Common Stock shall be issued to you only if you remain employed by the Company or a Subsidiary through the vesting date of the Performance Shares, which is anticipated to occur no later than March 15, 2027. Decisions regarding vesting and payment of the Performance Shares shall be final as determined by the Committee in its sole and absolute discretion.

(b) If you elect to terminate your employment with the Company or a Subsidiary and you satisfy the definition of Retirement set forth in the Plan, or if your employment is terminated by the Company or a Subsidiary for any reason other than Cause, death or Disability (unless the termination is in connection with a Change in Control), then a pro rata portion of the Performance Shares shall vest (based on the number of days from January 1, 2024 to and including the date of your Retirement divided by 1,096 and, to the extent the performance criteria are met, such pro rata portion shall be issued at the same time as others receive shares of Common Stock under this award).

(c) If your employment is terminated by the Company or a Subsidiary due to your death or Disability, then a pro rata portion of the Performance Shares shall vest (based on the number of days from the beginning of the performance period to and including the date your employment is terminated)

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and, to the extent the performance criteria are met, such pro rata portion shall be issued at the same time as others receive shares of Common Stock under such award.

(d) Any Performance Shares that do not vest pursuant to Sections 3(a) – 3(c) above shall be cancelled.

(e) In the event your employment is terminated by the Company or a Subsidiary without Cause or by you for Good Reason within six months prior to and in anticipation of or within 24 months after a Change in Control has occurred, a pro rata portion of any unvested Performance Shares shall vest (based on the number of days from the beginning of the performance period to and including the date your employment is terminated) on such date.

4. **Forfeiture of Performance Shares.** Except as set forth in Section 3 above or expressly set forth in any written agreement between you and the Company or a Subsidiary (whether entered into prior to or after the date of this letter agreement), if you cease to be an employee of the Company or a Subsidiary for any reason, except as and to the extent the Common Stock underlying the Performance Shares has been issued to you, you shall forfeit the remaining portion of the Performance Shares.

5. **Dividend, Voting and Other Rights**

(a) Until issuance of shares of Common Stock pursuant to Section 1 hereof, you shall have no voting or other rights of a stockholder with respect to the Performance Shares.

(b) **Dividend Equivalents.** You shall have the right to receive Dividend Equivalents on Performance Shares that become vested hereunder, payable in cash without interest, to the extent that (i) cash dividends are paid or payable on the Common Stock underlying the Performance Shares after the date of this agreement and prior to the issuance of shares of Common Stock underlying the Performance Shares and (ii) the record date for such payment of cash dividends was on or after the date of this agreement. Such Dividend Equivalents shall be subject to any required tax withholding, and shall be payable on or about such date or dates as the underlying Common Stock is issued to you in an amount equal to the number of shares of Common Stock delivered in respect of your vested Performance Shares multiplied by the aggregate per share dividends declared and paid on or after the date of this letter agreement and prior to the issuance of shares of Common Stock underlying the Performance Shares.

6. **Certain Definitions**. For the purposes of this letter agreement, the following terms have the meanings set forth below:

"Board" means the Board of Directors of the Company.

"Cause" means the occurrence of one or more of the following events, as determined by the Committee:

(i) commission of (x) a felony or (y) any crime or offense lesser than a felony involving the property of the Company or a Subsidiary; or

- (ii) conduct that has caused demonstrable and serious injury to the Company or a Subsidiary, monetary or otherwise; or
- (iii) willful refusal to perform or substantial disregard of duties properly assigned; or
- (iv) breach of duty of loyalty to the Company or a Subsidiary or other act of fraud or dishonesty with respect to the Company or a Subsidiary.

Change in Control" means the occurrence of any of the following events:

(i) the acquisition (other than an acquisition in connection with a "Non-Control Transaction" (as defined below)) by any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) of "beneficial ownership" (as such term is defined in Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, of securities of the Company or its Ultimate Parent representing 51% or more of the combined voting power of the then outstanding securities of the Company or its Ultimate Parent entitled to vote generally with respect to the election of the board of directors of the Company or its Ultimate Parent; or

(ii) as a result of or in connection with a tender or exchange offer or contest for election of directors, individual board members of the Company (identified as of the date of commencement of such tender or exchange offer, or the commencement of such election contest, as the case may be) cease to constitute at least a majority of the board of directors of the Company; or

(iii) the consummation of a merger, consolidation or reorganization with or into the Company unless (x) the stockholders of the Company immediately before such transaction beneficially own, directly or indirectly, immediately following such transaction securities representing 51% or more of the combined voting power of the then outstanding securities entitled to vote generally with respect to the election of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent and (y) individual board members of the Company (identified as of the date that a binding agreement providing for such transaction is signed) constitute at least a majority of the board of directors of the Company (or its successor) or, if applicable, the Ultimate Parent (a transaction to which clauses (x) and (y) apply, a "**Non-Control Transaction**").

Committee" means the Human Resources and Compensation Committee of the Company's Board of Directors.

Disability" means that, solely because of injury or sickness, you are either: (i) unable to perform all the material duties of the occupation that you routinely performed just prior to the date the Disability begins; or (ii) unable to earn 80% or more of your annual salary in effect just prior to the date the Disability begins.

Good Reason" means (i) any material diminution in the nature or scope of your authority, duties or responsibilities from those you had as of the date immediately preceding the Change in Control, (ii) requiring your relocation to a location more than 50 miles from your primary location of

employment immediately preceding the Change in Control without your consent or (iii) any reduction in your base salary or target bonus opportunity without your consent.

"Subsidiary" means a subsidiary corporation, as defined in Section 424(f) of the Code (or any successor section thereto).

"Ultimate Parent" means the parent corporation (or if there is more than one parent corporation, the ultimate parent corporation) that, following a transaction, directly or indirectly beneficially owns a majority of the voting power of the outstanding securities entitled to vote with respect to the election of the board of directors of the Company (or its successor).

7. Withholding Taxes. If the Company or any Subsidiary shall be required to withhold any federal, state, local or foreign tax in connection with any issuance or vesting of Performance Shares or other securities pursuant to this agreement, and the amounts available to the Company or such Subsidiary for such withholding are insufficient, you shall pay the tax or make provisions that are satisfactory to the Company or such Subsidiary for the payment thereof. If permitted at such time by the Company, you may elect to satisfy all or any part of any such withholding obligation by surrendering to the Company or such Subsidiary a portion of the Performance Shares that become nonforfeitable hereunder, and the Performance Shares so surrendered by you shall be credited against any such withholding obligation at the Fair Market Value of the Common Stock underlying such Performance Shares on the date of such surrender.

8. No Special Right to Employment. Nothing in this agreement shall interfere with or limit in any way the right of the Company to terminate your employment or other performance of services at any time, nor confer upon you any right to continue in the employ or as a director or officer of, or in the performance of other services for, the Company or a Subsidiary for any period of time, or to continue your present (or any other) rate of compensation or level of responsibility. Nothing in this agreement shall confer upon you any right to be selected again as a Plan participant, and nothing in the Plan or this agreement shall provide for any adjustment to the number of Performance Shares upon the occurrence of subsequent events except as provided in the Plan.

9. Relation to Other Benefits. Any economic or other benefit to you under this agreement or the Plan shall not be taken into account in determining any benefits to which you may be entitled under any profit-sharing, retirement or other benefit or compensation plan maintained by the Company or a Subsidiary and shall not affect the amount of any life insurance coverage available to any beneficiary under any life insurance plan covering employees of the Company or a Subsidiary.

10. Amendments to Plan. Any amendment to the Plan shall be deemed to be an amendment to this agreement to the extent that the amendment is applicable hereto; provided, however, that no amendment shall adversely affect your rights under this agreement without your consent.

11. Severability. Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this agreement is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this agreement.

12. Conformity with Plan. This agreement and the Performance Shares granted pursuant hereto are intended to conform in all respects with, and are subject to all applicable provisions of, the Plan (which is incorporated herein by reference). Inconsistencies between this agreement and the Plan shall be resolved in accordance with the terms of the Plan. By accepting this grant of Performance Shares on the Company's equity administration website, you acknowledge your receipt of this agreement and the Plan and agree to be bound by all of the terms of this agreement and the Plan.

13. Successors and Assigns. Except as otherwise expressly provided herein, all covenants and agreements contained in this agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and permitted assigns of the parties hereto whether so expressed or not.

14. Notices. All notices, demands or other communications to be given or delivered under or by reason of the provisions of this agreement shall be in writing and shall be deemed to have been given when (i) delivered personally, (ii) mailed by certified or registered mail, return receipt requested and postage prepaid or (iii) sent by reputable overnight courier, to the recipient. Such notices, demands and other communications shall be sent to you at the address on file with the Company and to the Company at Post Office Box 1968, Carmel, Indiana 46082, Attn: General Counsel, or to such other address or to the attention of such other person as the recipient party has specified by prior written notice to the sending party.

15. Governing Law. THE VALIDITY, CONSTRUCTION, INTERPRETATION, ADMINISTRATION AND EFFECT OF THE PLAN, AND OF ITS RULES AND REGULATIONS, AND RIGHTS RELATING TO THE PLAN AND TO THIS AGREEMENT, SHALL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAWS, AND APPLICABLE PROVISIONS OF FEDERAL LAW.

16. Descriptive Headings. The descriptive headings of this agreement are inserted for convenience only and do not constitute a part of this agreement.

17. Entire Agreement. This agreement, any written agreement between you and the Company or a Subsidiary to the extent contemplated by Section 4 hereof, and the terms of the Plan constitute the entire understanding between you and the Company, and supersede all other agreements, whether written or oral, with respect to your acquisition of the Performance Shares.

18. Section 409A. The Performance Shares awarded hereunder are intended to comply with Section 409A of the Code, as provided under the Plan. In accordance therewith, to the extent that Section 409A(a)(2)(B)(i) (regarding certain payments to "key employees" in connection with a separation from service) requires the Company to delay payment and /or delivery of shares of Common Stock in respect of your vesting Performance Shares beyond the date(s) otherwise specified in this agreement, the Company shall pay such amounts to you upon the earliest date permitted under 409A(a)(2)(B)(i) of the Code with incurring excise tax.

Details of the Award are set forth in the Award Summary.

To execute this agreement and confirm your understanding and acceptance of the agreements contained you must click the Accept button.

Very truly yours,

**CNO FINANCIAL GROUP, INC.**

By: Yvonne K. Franzese, Chief Human Resources Officer

FIFTH AMENDMENT AND RESTATEMENT AGREEMENT

This FIFTH AMENDMENT AND RESTATEMENT AGREEMENT (this "Agreement") is entered into as of March 30, 2024 among (i) CNO FINANCIAL GROUP, INC., a Delaware corporation (the "Borrower"), (ii) the Lenders (as defined below) executing signatures page hereto, and (iii) KEYBANK NATIONAL ASSOCIATION, as the administrative agent for the Lenders (the "Administrative Agent").

RECITALS:

A. The Borrower, the Administrative Agent and the lenders party thereto (each, a "Lender" and collectively, the "Lenders") are parties to the Credit Agreement, dated as of May 19, 2015 (as amended and restated by that certain First Amendment and Restatement Agreement dated as of October 13, 2017, as amended and restated by that certain Second Amendment and Restatement Agreement dated as of July 16, 2021, as amended by that certain Third Amendment to Credit Agreement dated as of August 11, 2021, as amended and restated by that certain Fourth Amendment and Restatement Agreement dated as of May 4, 2023 and as amended, restated, amended and restated, supplemented or modified prior to the date hereof the "Existing Credit Agreement", as amended by this Agreement, the "Amended Credit Agreement").

B. The Borrower, the Administrative Agent, the Lenders party hereto have agreed to amend and restate the Existing Credit Agreement pursuant to Section 10.01 thereof to make the changes set forth on **Annex A** hereto.

C. The parties hereto have agreed to such amendments and restatements on the terms and conditions set forth herein.

AGREEMENT:

In consideration of the premises and mutual covenants herein and for other valuable consideration, the Borrower, the Administrative Agent and the Lenders party hereto agree as follows:

Section 1. Definitions. Unless otherwise defined herein, each capitalized term used in this Agreement and not defined herein shall be defined in accordance with the Amended Credit Agreement.

Section 2. Amendment and Restatement of the Existing Credit Agreement Effective on the Fifth Amendment Effective Date (as defined below), the Existing Credit Agreement is hereby amended and restated in its entirety by deleting the stricken text (indicated textually in the same manner as the following example ~~stricken text~~) and adding the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as **Annex A** hereto. From and after the Fifth Amendment Effective Date, the terms "Agreement", "this Agreement", "herein", "hereinafter", "hereto", "hereof" and words of similar import, as used in the Amended Credit Agreement, shall, unless the context otherwise requires, refer to the Amended Credit Agreement, and the terms "Credit Agreement" and "Loan Agreement", as used in the other Loan Documents, as the case may be, shall mean the Amended Credit Agreement.

Section 3. Effectiveness. This Agreement, and the amendment and restatement of the Existing Credit Agreement pursuant to Section 2 of this Agreement, shall become effective upon satisfaction of the

following conditions precedent (the date on which such conditions precedent are satisfied, the "***Fifth Amendment Effective Date***"):

a. The Administrative Agent shall have received executed counterparts of this Agreement, each of which shall be originals or facsimiles or Adobe PDFs delivered by electronic mail (followed promptly by originals, if requested) unless otherwise specified, dated the Fifth Amendment Effective Date and in form and substance reasonably satisfactory to the Administrative Agent and each of the Lenders.

b. The Administrative Agent shall have received from the Borrower all accrued and unpaid fees to the extent then due and payable to the Administrative Agent on or before the Fifth Amendment Effective Date and all reasonable out-of-pocket costs and expenses to the extent reimbursable pursuant to Section 10.04 of the Amended Credit Agreement, including accrued and projected Attorney Costs of the Administrative Agent to the extent invoiced two (2) Business Days prior to the Fifth Amendment Effective Date.

c. The representations and warranties of the Company contained in Article 5 of the Amended Credit Agreement or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, (x) which are not qualified as to materiality shall be true and correct in all material respects and (y) which are qualified as to materiality shall be true and correct, in each case, on and as of the Fifth Amendment Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects, or true and correct, as the case may be, as of such earlier date.

d. No Default or Event of Default shall have occurred and be continuing on the Fifth Amendment Effective Date or immediately after giving effect to this Agreement.

**Section 4. Miscellaneous**

**4.1 Representations and Warranties** The Borrower, by signing below, hereby represents and warrants to the Administrative Agent and the Lenders that:

a. the Borrower has the legal power and authority to execute and deliver this Agreement;

b. the officers executing this Agreement on behalf of the Borrower have been duly authorized to execute and deliver the same and bind the Borrower with respect to the provisions hereof;

c. no Default or Event of Default exists under the Amended Credit Agreement, nor will any occur immediately after the execution and delivery of this Agreement;

d. each of this Agreement and the Amended Credit Agreement constitutes the legal, valid and binding agreement and obligation of the Company, enforceable in accordance with its terms, except to the extent that the enforceability hereof or thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law); and

e. each of the representations and warranties set forth in Article 5 of the Amended Credit Agreement is true and correct in all material respects (or in all respects if such representation or warranty is qualified by Material Adverse Effect or other materiality qualifier) as of the Fifth Amendment Effective Date (except to the extent that any such representation and warranty expressly relates to an

earlier date, in which case such representation and warranty shall be true and correct in all material respects as of such earlier date).

4.2 No Novation. This Agreement shall not extinguish the Loans or other obligations outstanding under the Existing Credit Agreement. This Agreement shall be a Loan Document for all purposes.

4.3 Reaffirmation. The Borrower hereby ratifies and reaffirms all of its remaining payment and performance obligations, contingent or otherwise, if any, under the Existing Credit Agreement and each of the other Loan Documents to which it is a party.

4.4 Entire Agreement. This Agreement, together with the Amended Credit Agreement and the other Loan Documents, integrates all the terms and conditions mentioned herein or incidental hereto and supersedes all oral representations and negotiations and prior writings with respect to the subject matter hereof.

4.5 Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement. The electronic copy of the executed Agreement is and shall be deemed an original signature for purposes of this Agreement, as the case may be. The words "execution," "execute," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Administrative Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

4.6 Governing Law; Jurisdiction; Consent to Service of Process

a. This Agreement shall be construed in accordance with and governed by the law of the State of New York.

b. Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any relevant appellate court, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any Lender or the Administrative Agent may otherwise have to bring any action or proceeding relating to any Loan Document against the Obligor or its properties in the courts of any jurisdiction.

c. Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in subsection (b) of this Section 4.6. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

d. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 10.02 of the Amended Credit Agreement. Nothing in any Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

**4.7 WAIVER OF JURY TRIAL.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

*[Signature pages follow.]*

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered as of the date first above written.

**CNO FINANCIAL GROUP, INC.,**  
as the Borrower

By: /s/ Paul H. McDonough  
Name: Paul H. McDonough  
Title: CFO

[Signature Page to Fifth Amendment and Restatement Agreement (CNO Financial)]

---

**KEYBANK, NATIONAL ASSOCIATION,**  
as Administrative Agent and as Lender

By: /s/ Ashley Braniecki  
Name: Ashley Braniecki  
Title: Senior Vice President

---

[Signature Page to Fifth Amendment and Restatement Agreement (CNO Financial)]

---

Signature Page to  
Fifth Amendment and Restatement Agreement,  
dated as of the date first above written,  
among CNO FINANCIAL GROUP, Inc., as the Borrower,  
Key Bank National Association, as the Administrative Agent  
and the Lenders party thereto

Name of Institution:

Goldman Sachs Bank USA

By: /s/ Priyankush Goswami

Name: Priyankush Goswami

Title: Authorized Signatory

---

[Signature Page to Fifth Amendment and Restatement Agreement (CNO Financial)]

---

Signature Page to  
Fifth Amendment and Restatement Agreement,  
dated as of the date first above written,  
among CNO FINANCIAL GROUP, Inc., as the Borrower,  
Key Bank National Association, as the Administrative Agent  
and the Lenders party thereto

Name of Institution:

Royal Bank of Canada

By: /s/ Colleen Osborne

Name: Colleen Osborne

Title: Authorized Signatory

[Signature Page to Fifth Amendment and Restatement Agreement (CNO Financial)]

---

Signature Page to  
Fifth Amendment and Restatement Agreement,  
dated as of the date first above written,  
among CNO FINANCIAL GROUP, Inc., as the Borrower,  
Key Bank National Association, as the Administrative Agent  
and the Lenders party thereto

Name of Institution:

BARCLAYS BANK PLC

By: /s/ Warren Veech III

Name: Warren Veech III

Title: Vice President

---

[Signature Page to Fifth Amendment and Restatement Agreement (CNO Financial)]

---

Signature Page to  
Fifth Amendment and Restatement Agreement,  
dated as of the date first above written,  
among CNO FINANCIAL GROUP, Inc., as the Borrower,  
Key Bank National Association, as the Administrative Agent  
and the Lenders party thereto

Name of Institution:

The Northern Trust Company

By: /s/ Peter Romanchuk

Name: Peter Romanchuk

Title: Vice President, Commercial Banker

---

[Signature Page to Fifth Amendment and Restatement Agreement (CNO Financial)]

**CREDIT AGREEMENT**

Dated as of May 19, 2015

(as amended and restated by that certain First Amendment and Restatement Agreement dated as of October 13, 2017,  
as amended and restated by that certain Second Amendment and Restatement Agreement dated as of July 16, 2021,  
as amended by that certain Third Amendment to Credit Agreement dated as of August 11, 2021

**as amended and restated by that certain Fourth Amendment and Restatement Agreement dated as of May 4, 2023**

and

as amended and restated by that certain **Fourth**~~Fifth~~ Amendment and Restatement Agreement dated as of **May 6**~~March 30, 2023~~**2024**

among

**CNO FINANCIAL GROUP, INC.**,  
as Company,

**KEYBANK NATIONAL ASSOCIATION**,  
as Administrative Agent,

and

THE LENDERS PARTY HERETO

---

**KEYBANK NATIONAL ASSOCIATION,**  
**GOLDMAN SACHS BANK USA**  
and  
**RBC CAPITAL MARKETS**,  
as Joint Lead Arrangers and Joint Bookrunners,

**GOLDMAN SACHS BANK USA**  
and  
**ROYAL BANK OF CANADA**,  
as Co-Syndication Agents and

**BARCLAYS BANK PLC**,  
as Documentation Agent

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## CREDIT AGREEMENT

This CREDIT AGREEMENT is entered into as of May 19, 2015, by and among CNO FINANCIAL GROUP, INC., a Delaware corporation (together with its successors, the **Company**"), the lenders from time to time party to this Agreement (collectively, the **Lenders**"; individually, each a **Lender**"), and KEYBANK NATIONAL ASSOCIATION, as administrative agent for the Lenders.

WHEREAS, after giving effect to the First Amendment, the Company desires to obtain from the Lenders a revolving credit facility in an aggregate principal amount **\$250,000,000**;

WHEREAS, the Company intends to use the proceeds of the revolving credit facility (i) to repay all amounts outstanding under the Existing Credit Agreement (as defined below), (ii) to fund a redemption of all the Company's Existing Senior Secured Notes (as defined below) and satisfy and discharge the Existing Senior Secured Notes Indenture related thereto, (iii) to pay fees and expenses incurred in connection with the foregoing and in connection with a proposed offering of Senior Secured Notes (as defined below) and (iv) working capital and general corporate purposes of the Company;

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, the parties agree as follows:

### ARTICLE 1. DEFINITIONS

#### **Section 1.01 Certain Defined Terms.**

The following terms have the following meanings:

**"Accumulated Other Comprehensive Income"** or **"Accumulated Other Comprehensive Loss"** means, as at any date of determination, the amount of Consolidated accumulated and other comprehensive income (or loss), as applicable, of the Company and its Subsidiaries, as reflected on the balance sheet of the Company as of such date in accordance with GAAP.

**"Acquisition"** means (i) any Investment by the Company or any of its Subsidiaries in a Person (other than an existing Wholly-Owned Subsidiary) whereby such Person becomes a direct or indirect Subsidiary of the Company or is merged with and into the Company or such Subsidiary or (ii) an acquisition by the Company or any of its Subsidiaries of the property and assets of any Person (other than an existing Wholly-Owned Subsidiary) that constitutes all or substantially all of the assets of such Person or any division, line of business, book of business or business unit of such Person; *provided* that capital expenditures (as determined in accordance with GAAP) that do not, individually or as part of a series of related transactions, result in the acquisition of all or substantially all of the assets of any Person or any division, line of business, book of business or business unit of such Person shall be deemed not to be Acquisitions.

**"Adjusted Daily Simple SOFR"** means with respect to a Daily Simple SOFR Loan, the greater of (1) the sum of (a) Daily Simple SOFR and (b) the applicable SOFR Index Adjustment and (2) the Floor.

**"Adjusted Term SOFR"** means for any Available Tenor and Interest Period with respect to a SOFR Loan, the greater of (1) the sum of (a) Term SOFR for such Interest Period and (b) the applicable SOFR Index Adjustment and (2) the Floor.

**"Affected Financial Institution"** means (a) any EEA Financial Institution or (b) any UK Financial Institution

**"Affiliate"** means, as to any Person, any other Person that, directly or indirectly, is in control of, is controlled by or is under common control with, such Person. A Person shall be deemed to control another Person if the controlling Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other Person, whether through the ownership of voting securities, membership interests, by contract or otherwise.

**"Agent"** means KeyBank, in its capacity as administrative agent under the Loan Documents, and its successors and permitted assigns in such capacity.

**"Agent-Related Persons"** means the initial Agent and any successor Agent, the Arrangers, the Co-Syndication Agents and the Documentation Agent, in each case together with their respective Affiliates, and the officers, directors, employees, agents and attorneys-in-fact of such Persons and Affiliates.

**"Agent's Office"** means the Agent's address and, as appropriate, account as set forth or **Schedule 10.02** or such other address or account as the Agent may from time to time specify.

**"Agreement"** means this Credit Agreement.

**"A.M. Best"** means A.M. Best Company.

**"Annual Statement"** means the annual statutory financial statement of any Insurance Subsidiary required to be filed with the insurance commissioner (or similar authority) of its jurisdiction of incorporation, which statement shall be in the form required by such Insurance Subsidiary's jurisdiction of incorporation or, if no specific form is so required, in the form of financial statements permitted by such insurance commissioner (or such similar authority) to be used for filing annual statutory financial statements and shall contain the type of information permitted or required by such insurance commissioner (or such similar authority) to be disclosed therein, together with all exhibits or schedules filed therewith.

**"Anti-Corruption Law"** means all laws, rules, and regulations of any jurisdiction applicable to the Company or any of its subsidiaries or Affiliates from time to time concerning or relating to bribery or corruption, including without limitation the United States Foreign Corrupt Practices Act of 1977, as amended, the UK Bribery Act 2010 and other similar legislation in any other jurisdictions.

**"Anti-Money Laundering Laws"** means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to the Obligor, its subsidiaries or Affiliates, related to terrorism financing or money laundering including any applicable provision of Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) of 2001 (Title III of Pub. L. 107-56) and The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act", 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959).

**"Anti-Terrorism Laws"** means any Requirement of Law related to terrorism financing or money laundering, including the Patriot Act, The Currency and Foreign Transactions Reporting Act (also known as the "Bank Secrecy Act," 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b) and 1951-1959), the Trading With the Enemy Act (50 U.S.C. § 1 *et seq.*, as amended) and Executive Order 13224 (effective September 24, 2001).

**"Applicable Margin"** and **"Applicable Revolving Commitment Fee Percentage"** mean with respect to Revolving Loans, a percentage, per annum, determined by reference to the Company's unsecured debt rating in effect from time to time as set forth below:

| Unsecured Debt Rating from S&P | Unsecured Debt Rating from Moody's | Applicable Margin for SOFR Loans | Applicable Margin for Base Rate Loans | Applicable Revolving Commitment Fee Percentage |
|--------------------------------|------------------------------------|----------------------------------|---------------------------------------|--|
| ≥ BBB                          | ≥ Baa2                             | 1.375%                           | 0.375%                                | 0.20%  |
| BBB-                           | Baa3                               | 1.625%                           | 0.625%                                | 0.25%  |
| BB+                            | Ba1                                | 1.875%                           | 0.875%                                | 0.30%  |
| ≤ BB                           | ≤ Ba2                              | 2.125%                           | 1.125%                                | 0.35%  |

The unsecured debt rating shall be determined by the then-current rating announced by either S&P or Moody's, as the case may be, for any class of non-credit-enhanced long-term senior unsecured debt issued by the Company. If only one of S&P and Moody's shall have in effect such an unsecured debt rating, the unsecured debt rating shall be determined by reference to the available rating. If neither S&P nor Moody's shall have in effect such an unsecured debt rating, the unsecured debt rating will be deemed to be lower than BB by S&P and Ba2 by Moody's. If such unsecured debt ratings established by S&P and Moody's shall fall within different levels, the unsecured debt rating will be determined by the higher of the two ratings; *provided* that in the event that the lower of such unsecured debt ratings is more than one level below the higher of such unsecured debt ratings, the unsecured debt rating will be determined based upon the level that is one level below the higher of such unsecured debt ratings. If any such unsecured debt rating established by S&P or Moody's shall be changed, such change shall be effective as of the date on which such change is first announced publicly by the rating agency making such change. If S&P or Moody's shall change its respective rating system, the parties hereto shall negotiate in good faith to amend the references to specific ratings in this definition to reflect such changed rating system.

**"Approved Electronic Communications"** means any notice, demand, communication, information, document or other material that any of the Company or any of its Subsidiaries provides to the Agent pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent, Lenders or Issuing Bank by means of electronic communications pursuant to Section 10.02(b).

**"Approved Fund"** means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

**"Arrangers"** means, collectively, KeyBank, RBC Capital Markets<sup>1</sup> and Goldman Sachs Bank USA.

**"Assignment and Assumption"** means an assignment and assumption entered into by a Lender and an Eligible Assignee substantially in the form of Exhibit D or in another form reasonably acceptable to the Agent.

**"Attorney Costs"** means and includes all reasonable, documented fees, expenses and disbursements of any law firm or other external legal counsel.

**"Available Tenor"** means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date that is or may be used for determining any frequency of making payments of interest.

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

calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of "Interest Period" pursuant to **Section 2.18(d)**.

**"Bail-In Action"** means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

**"Bail-In Legislation"** means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

**"Base Rate"** means for any day a fluctuating rate *per annum* equal to the highest of

(a) the Federal Funds Rate *plus* 1/2 of 1%,

(b) the rate of interest per annum then most recently publicly announced by KeyBank National Association as its "prime" rate (or equivalent rate otherwise named) in effect at its principal office in Cleveland, Ohio, which prime rate is not necessarily the lowest rate of interest charged by KeyBank National Association to commercial borrowers and

(c) the Adjusted Term SOFR for an Interest Period of one month beginning on such day (or if such day is not a Business Day, the Business Day immediately preceding such day) *plus* 1.00% *per annum*;

**provided**, if the Base Rate computed in accordance with the foregoing shall be less than zero, such rate shall nevertheless be deemed to be zero for purposes of this Agreement. Each change in the Base Rate resulting from a change of KeyBank National Association's "prime" rate, the Federal Funds Rate or Adjusted Term SOFR will be effective for purposes hereof from and including the date such change is publicly announced as being effective.

**"Base Rate Loan"** means a Loan that bears interest based on the Base Rate.

**"Benchmark"** means, initially, with respect to (a) any Daily Simple SOFR Loan, Daily Simple SOFR, and (b) any Term SOFR Loan, Term SOFR **provided** that if a Benchmark Transition Event has occurred with respect to the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to **Section 2.18**.

**"Benchmark Replacement"** means, with respect to any Benchmark Transition Event for the then-current Benchmark, the sum of: (i) the alternate benchmark rate that has been selected by the Agent as the replacement for such Benchmark giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for such Benchmark for syndicated credit facilities denominated in U.S. Dollars at such time and (ii) the related Benchmark Replacement Adjustment, if any; **provided** that, if such Benchmark

Replacement as so determined would be less than the Floor, such Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

**"Benchmark Replacement Adjustment"** means, with respect to any replacement of any then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), if any, that has been selected by the Agent and the Company giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar denominated syndicated credit facilities at such time.

**"Benchmark Replacement Conforming Changes"** means, with respect to either the use or administration of Daily Simple SOFR or Term SOFR, or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "SOFR Business Day," the definition of "Interest Period" or any similar or analogous definition (or the addition of a concept of "interest period"), timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of **Section 3.05(b)** and other technical, administrative or operational matters) that the Agent, in consultation with the Company, decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such Benchmark exists, in such other manner of administration as the Agent, in consultation with the Company, decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

**"Benchmark Replacement Date"** means the earlier to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event", the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

**"Benchmark Transition Event"** means, with respect to the then-current Benchmark, the occurrence of one or more of the following events with respect to such Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are not, or as of a specified future date will not be, representative.

For the avoidance of doubt, a "Benchmark Transition Event" will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

**Benchmark Transition Start Date** means, with respect to any Benchmark, in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

**Benchmark Unavailability Period** means, with respect to any then-current Benchmark, the period (if any) (i) beginning at the time that a Benchmark Replacement Date with respect to such Benchmark pursuant to clauses (a) or (b) of that definition has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with [Section 2.18](#) and (ii) ending at the time that a Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with [Section 2.18](#).

**"Bermuda Entities"** means [CNO Bermuda Re, Ltd. and any other Insurance Subsidiaries domiciled in the state of Bermuda and regulated by the Bermuda Monetary Authority](#).

**"Borrowing Date"** means the date of a Credit Extension.

**"Business Day"** means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, the state where the Agent's Office is located or New York City and, if such day relates to any SOFR Loan, means a SOFR Business Day.

**"Capital Adequacy Regulation"** means any guideline, request or directive of any central bank or other Governmental Authority, or any other law, rule or regulation, whether or not having the force of law, in each case, regarding capital adequacy or liquidity requirement of any bank or of any corporation controlling a bank.

**"Capital and Surplus"** means, as to any Insurance Subsidiary, as of any date, the total amount shown on line 38, page 3, column 1 (or such other line on which the equivalent information is provided on any other such Annual Statement) of the Annual Statement of such Insurance Subsidiary as of such date, or an amount determined in a consistent manner for any date other than one as of which an Annual Statement is prepared.

**"Capital Stock"** means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase any of the foregoing; *provided* that, for the avoidance of doubt, Capital Stock shall not be deemed to include debt convertible or exchangeable for any of the foregoing.

**"Capitalized Lease Liabilities"** means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized and reflected as a liability on a balance sheet (excluding the footnotes thereto) prepared in accordance with GAAP, and the stated maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

**"Cash Collateralize"** means, in respect of an Obligation, to provide and pledge (as a first priority perfected security interest) cash collateral in Dollars, at a location and pursuant to documentation in form and substance satisfactory to the Agent and the Issuing Bank (and "Cash Collateralization" has a corresponding meaning). "Cash Collateral" shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

**"Cash Equivalents"** means

(a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States government or issued by any agency thereof and backed by the full faith and credit of the United States, in each case maturing within one year from the date of acquisition;

(b) certificates of deposit, time deposits, eurodollar time deposits or overnight bank deposits having maturities of twelve months or less from the date of acquisition issued by any commercial bank organized under the laws of the United States or any state thereof having combined capital and surplus of not less than \$500,000,000 and a short term deposit rating of at least A-1 by S&P and P-1 by Moody's, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally;

(c) commercial paper of an issuer rated at least A-2 by S&P and P-2 by Moody's at the time of acquisition thereof, or carrying an equivalent rating by a nationally recognized rating agency, if both of the two named rating agencies cease publishing ratings of commercial paper issuers generally, and maturing within nine months from the date of acquisition;

(d) repurchase obligations of any Lender or of any commercial bank satisfying the requirements of clause (b) of this definition, having a term of not more than 30 days, with respect to securities issued or fully guaranteed or insured by the United States government;

(e) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P and A2 by Moody's;

(f) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (b) of this definition; or

(g) shares of money market mutual or similar funds that invest exclusively in assets satisfying the requirements of clauses (a) through (f) of this definition.

**CBOs** means notes or other instruments (other than CMOs) secured by collateral consisting primarily of debt securities and/or other types of debt obligations, including loans.

**CERCLA** means the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.

**Change of Control** means the occurrence of any of the following:

(a) any "person" or "group" of related persons (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of a majority of the total voting power of the Voting Stock of the Company (or its successors by merger, consolidation or purchase of all or substantially all of its assets);

(b) the sale, assignment, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than a Subsidiary of the Company; or

(c) the adoption by the stockholders of the Company of a plan or proposal for the liquidation or dissolution of the Company.

**CIP Regulations** has the meaning specified in Section 9.13.

**Class** means

(a) when used with respect to any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class of Loans or Commitments,

(b) when used with respect to Commitments, refers to whether such Commitments are Original Revolving Commitments or Extended Revolving Commitments of a given Series and

(c) when used with respect to Loans, refers to whether such Loans are Original Revolving Loans or Extended Revolving Loans of a given Series.

Loans that are not fungible for United States federal income tax purposes shall be construed to be in different Classes or tranches. Commitments that, if and when drawn in the form of Loans, would yield Loans that are construed to be in different Classes or tranches pursuant to the immediately preceding

sentence shall be construed to be in different Classes or tranches of Commitments corresponding to such Loans.

**"Closing Date"** means the first date all the conditions precedent in [Section 4.01](#) are satisfied or waived in accordance with [Section 10.01](#).

**"Closing Date Transactions"** means the (i) execution, delivery and performance by the Company of the Loan Documents to which it is to be a party, (ii) borrowing of Revolving Loans hereunder up to the aggregate principal amount of \$100,000,000 on the Closing Date, (iii) repayment of all amounts outstanding under the Existing Credit Agreement, (iv) offering, sale and issuance of the Senior Notes, (v) redemption of the Existing Senior Secured Notes and satisfaction and discharge of the indenture relating thereto and (vi) payment of fees and expenses incurred in connection with the foregoing.

**"CME"** means CME Group Benchmark Administration Limited.

**"CMOs"** means notes or other instruments secured by collateral consisting primarily of mortgages, mortgage-backed securities and/or other types of mortgage-related obligations.

**"Code"** means the Internal Revenue Code of 1986, and regulations promulgated thereunder.

**"Commitment"** means any Revolving Commitment.

**"Company"** has the meaning specified in the introduction to this Agreement.

**"Compensation Period"** has the meaning specified in [Section 2.13\(c\)\(ii\)](#).

**"Compliance Certificate"** means a certificate substantially in the form of [Exhibit A](#).

**"Consolidated"** means the Company and its Subsidiaries, taken as a whole in accordance with GAAP.

**"Consolidated Net Worth"** means, as at any date of determination, the Total Shareholders' Equity as of such date.

**"Contingent Obligation"** means, without duplication, any agreement, undertaking or arrangement by which any Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the debt, obligation or other liability of any other Person (other than by endorsements of instruments in the course of collection or indemnities under contracts entered into in the ordinary course of business and not in respect of Indebtedness or the issuance of Capital Stock), or guarantees the payment of dividends or other distributions upon the shares of any other Person; **provided** that the obligations of any Person under Reinsurance Agreements or in connection with Investments of Insurance Subsidiaries permitted by the applicable Department shall not be deemed Contingent Obligations of such Person. The amount of any Contingent Obligation of any Person shall (subject to any limitation set forth therein) be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith.

**"continue," "continuation" and "continued"** each refers to a continuation of a Term SOFR Loan for an additional Interest Period as provided in [Section 2.06](#).

**"Contractual Obligation"** means, as to any Person, any provision of any security issued by such Person or of any agreement, undertaking, contract, indenture, mortgage, deed of trust or other instrument, document or agreement to which such Person is a party or by which it or any of its property is bound.

**"Conversion/Continuation Notice"** means a Conversion/Continuation Notice substantially in the form of [Exhibit C-2](#).

**"Co-Syndication Agents"** means Goldman Sachs and Royal Bank of Canada, and each of their respective successors and assigns in such capacity.

**"Credit Extension"** means the (a) making, conversion or continuation of a Loan or (b) the issuance of a Letter of Credit.

**"Credit Parties"** means the Agent, the Issuing Bank, the Swing Line Lender and the Lenders.

**"Daily Simple SOFR"** means, for any day (a "SOFR Rate Day"), a rate per annum equal to SOFR for the day (such day, the "SOFR Determination Day") that is five (5) SOFR Business Days prior to (i) if such SOFR Rate Day is a SOFR Business Day, such SOFR Rate Day or (ii) if such SOFR Rate Day is not a SOFR Business Day, the SOFR Business Day immediately preceding such SOFR Rate Day, in each case, as and when SOFR for such SOFR Rate Day is published by the SOFR Administrator on the SOFR Administrator's Website. If by 5:00 pm (New York City time) on the second (2nd) SOFR Business Day immediately following any SOFR Determination Day, SOFR in respect of such SOFR Determination Day has not been published on the SOFR Administrator's Website and a Benchmark Replacement Date with respect to Daily Simple SOFR has not occurred, then SOFR for such SOFR Determination Day will be SOFR as published in respect of the first preceding SOFR Business Day for which such SOFR was published on the SOFR Administrator's Website; provided, that any SOFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple SOFR for no more than three (3) consecutive SOFR Rate Days. Any change in Daily Simple SOFR due to a change in SOFR shall be effective from and including the effective date of such change in SOFR without notice to the Company.

**"Daily Simple SOFR Borrowing"** means a Credit Extension comprised of Daily Simple SOFR Loans.

**"Daily Simple SOFR Loan"** means each Loan bearing interest at a rate based upon Daily Simple SOFR.

**"Debt to Total Capitalization Ratio"** means, as of any date of determination, without duplication, the ratio of:

(a) the principal amount of, and accrued but unpaid interest on, all Indebtedness of the Company outstanding on such date, other than

- (i) Indebtedness owing to any Subsidiary of the Company,
- (ii) Indebtedness of the kind referred to in **clauses (c) and (e)** (or **clause (i)** if referring to such **clauses (c) or (e)**) of the definition of "Indebtedness,"
- (iii) Repurchase Agreement Indebtedness in an aggregate amount of up to **\$100,000,000** and

(iv) for the purpose of Indebtedness of the kind referred to in **clauses (b)** of the definition of "Indebtedness," excluding Hybrid Securities, except to the extent that the aggregate amount outstanding on any date of determination of all such Hybrid Securities exceeds an amount equal to fifteen percent (15%) of Total Capitalization on such date (or, if such date is not a Fiscal Quarter-end, as of the end of the Fiscal Quarter most recently ended for which financial statements are required to have been furnished to the Agent pursuant to **Section 6.01**) (for the avoidance of doubt, it being understood that only the aggregate principal amount of Hybrid Securities in excess of 15% of the Total Capitalization (if any) shall be included any such calculation), to

(b) Total Capitalization (which, by way of clarification and not limitation, shall include Hybrid Securities) on such date.

**"Debtor Relief Laws"** means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

**"Default"** means any event or circumstance that constitutes an Event of Default or that, with the giving of notice, the lapse of time, or both, would (if not cured or otherwise remedied during such time) constitute an Event of Default.

**"Defaulting Lender"** means, subject to **Section 2.16(b)**, any Lender that

(a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Agent and the Company in writing that such failure is the result of such Lender's determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Agent, any Issuing Bank, any Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Line Loans) within two Business Days of the date when due,

(b) has notified the Company, the Agent or any Issuing Bank or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied),

(c) has failed, within three Business Days after written request by the Agent or the Company, to confirm in writing to the Agent and the Company that it will comply with its prospective funding obligations hereunder (provided that such Lender shall cease to be a Defaulting Lender pursuant to this **clause (c)** upon receipt of such written confirmation by the Agent and the Company), or

(d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become subject of a Bail-in Action;

**provided** that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Agent that a Lender is a Defaulting Lender under any one or more of **clauses (a)** through **(d)** above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to **Section 2.16(b)**) upon delivery of written notice of such determination to the Company, each Issuing Bank, each Swing Line Lender and each Lender.

**"Department"** means, with respect to any Insurance Subsidiary, the Governmental Authority of such Insurance Subsidiary's state of domicile with which such Insurance Subsidiary is required to file its Annual Statement.

**"Disposition"** means the sale, assignment, leasing as lessor (other than in the ordinary course), transfer, contribution, conveyance, issuance or other disposal of, or granting of options, warrants or other rights with respect to, any of a Person's assets (including any transaction pursuant to a Reinsurance Agreement or a sale and leaseback transaction and, in the case of any Subsidiary, the issuance or sale of its Capital Stock). The terms **"Dispose of"**, **"Disposing of"** and **"Disposed of"** shall have correlative meaning.

**"Documentation Agent"** means Barclays Bank PLC.

**"Dollars," "dollars"** and **"\$"** each mean lawful money of the United States.

**"Economic Sanctions Laws"** means any and all laws, judgments, orders, executive orders, decrees, ordinances, rules, regulations, statutes, case law or treaties applicable to the Obligor, its Subsidiaries or Affiliates relating to economic sanctions and terrorism financing, including any applicable provisions of the Trading with the Enemy Act (50 U.S.C. App. §§ 5(b) and 16, as amended), the International Emergency Economic Powers Act (50 U.S.C. §§ 1701-1706, as amended) and Executive Order 13224 (effective September 24, 2001), as amended.

**"EEA Financial Institution"** means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

**"EEA Member Country"** means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

**"EEA Resolution Authority"** means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegatee) having responsibility for the resolution of any EEA Financial Institution.

**"EU Bail-In Legislation Schedule"** means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

**"Eligible Assignee"** means

- (a) a Lender (other than a Defaulting Lender);
- (b) an Affiliate of a Lender (other than a Defaulting Lender);
- (c) an Approved Fund; and

(d) any other Person (other than a natural person) approved by (i) the Agent and (ii) unless an Event of Default has occurred and is continuing or such assignee is a Lender (other than a Defaulting Lender), an Affiliate of a Lender (other than a Defaulting Lender) or an Approved Fund, the Company (each such approval not to be unreasonably withheld or delayed); **provided** that (x) notwithstanding the foregoing, "Eligible Assignee" shall not include any of the Company's Subsidiaries and (y) the Company shall be deemed to have approved an assignee unless it shall object thereto by written notice to the Agent within **ten (10) Business Days** after having received notice thereof.

**"Embargoed Person"** means any party that (i) is publicly identified on the most current list of "Specially Designated Nationals and Blocked Persons" published by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") or resides, is organized or chartered or has a place of business in a country or territory subject to OFAC sanctions or embargo programs or (ii) is publicly identified as prohibited from doing business with the United States under the International Emergency Economic Powers Act, the Trading With the Enemy Act or any other United States Requirement of Law.

**"Environment"** means ambient air, indoor air, surface water, groundwater, drinking water, soil, surface and subsurface strata, and natural resources such as wetlands, flora and fauna.

**"Environmental Claims"** means all written claims, complaints, notices or inquiries, by any Governmental Authority or other Person alleging potential liability or responsibility for violation of any Environmental Law, or for release or injury to the environment or threat to public health, personal injury (including sickness, disease or death), property damage, natural resources damage, or otherwise alleging liability or responsibility for damages (punitive or otherwise), cleanup, removal, remedial or response costs, restitution, civil or criminal penalties, injunctive relief or other type of relief, resulting from or based upon the presence, placement, or Release (including intentional or unintentional, negligent or non-negligent, sudden or non-sudden or accidental or non-accidental placement, spills, leaks, discharges, emissions or releases) of any Hazardous Material at, in, under or from property, whether or not owned by the Company or any of its Subsidiaries, excluding, in any case, liabilities or claims arising under any insurance contract or policy, reinsurance agreement or retrocession agreement relating to any of the foregoing where the Company or any of its Subsidiaries is the insurer.

**"Environmental Laws"** means all Requirements of Law relating to pollution or protection of the Environment, health and safety.

**"Environmental Liability"** means any liability, contingent or otherwise (including any liability for damages, costs of remediation, fines, penalties or indemnities), of the Company or any of its respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage or treatment of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

**"Equity Interests"** means shall mean, with respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such Person, including, if such Person is

a partnership, partnership interests (whether general or limited), if such Person is a limited liability company, membership interests, and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such partnership, whether outstanding on the date hereof or issued on or after the Closing Date, but excluding debt securities convertible or exchangeable into such equity interests.

"**ERISA**" means the Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder.

"**ERISA Affiliate**" means any trade or business (whether or not incorporated) under common control with the Company or any of its Subsidiaries within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

"**ERISA Event**" means

- (a) a Reportable Event with respect to a Single Employer Pension Plan;
- (b) with respect to any Single Employer Pension Plan, the failure to satisfy the minimum funding standard under Sections 412 or 430 of the Code and Sections 302 or 303 of ERISA, whether or not waived, the failure to make by its due date a required installment under Section 430(j) of the Code or Section 303 of ERISA with respect to any Single Employer Pension Plan or the failure to make a required contribution to a Multiemployer Plan;
- (c) a withdrawal by the Company, any of its Subsidiaries or any ERISA Affiliate from a Single Employer Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations which is treated as such a withdrawal under Section 4062(e) of ERISA;
- (d) a complete or partial withdrawal by the Company, any of its Subsidiaries or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is insolvent;
- (e) the filing of a notice of intent to terminate, the treatment of a plan amendment as a termination under Section 4041 or 4041A of ERISA or the commencement of proceedings by the PBGC to terminate a Single Employer Pension Plan or Multiemployer Plan;
- (f) an event or condition that could reasonably be expected to constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Single Employer Pension Plan or Multiemployer Plan;
- (g) the imposition of any liability under Title IV of ERISA, other than required plan contributions and PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Company, any of its Subsidiaries or any ERISA Affiliate;
- (h) a Multiemployer Plan is determined to be in "critical" or "endangered" status under Section 432 of the Code or Section 305 of ERISA, or, with respect to any Single Employer Pension Plan, a determination that it is "at risk" under Section 430 of the Code or Section 303 of ERISA or
- (i) the imposition of a Lien under Section 430(k) of the Code or Section 303(k) or 4068 of ERISA.

"**Erroneous Payment**" has the meaning assigned to it in [Section 9.14\(a\)](#).

"**Erroneous Payment Deficiency Assignment**" has the meaning assigned to it in [Section 9.14\(d\)\(i\)](#).

"**Erroneous Payment Impacted Class**" has the meaning assigned to it in [Section 9.14\(d\)\(i\)](#).

"**Erroneous Payment Return Deficiency**" has the meaning assigned to it in [Section 9.14\(d\)\(i\)](#).

"**Erroneous Payment Subrogation Rights**" has the meaning assigned to it in [Section 9.14\(e\)](#).

"**Event of Default**" has the meaning specified in [Section 8.01](#).

"**Exchange Act**" means the Securities Exchange Act of 1934 and the regulations promulgated thereunder.

"**Excluded Taxes**" means, with respect to the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Obligor under any Loan Document,

(a) Taxes imposed on or measured by its net income (however denominated, and including (for the avoidance of doubt) any backup withholding in respect thereof under Section 3406 of the Code or any similar provision of state, local or foreign law), franchise Taxes, and branch profits Taxes imposed on it, in each case, by a jurisdiction (or any political subdivision thereof) as a result of the recipient being organized, having its principal office or having a present or former connection (other than a business or connection arising (or being deemed to arise) solely as a result of the Loan Documents or the transactions and activities contemplated by the Loan Documents) in such jurisdiction,

(b) in the case of a Lender (other than an assignee pursuant to a request by the Company under [Section 10.14](#)), any U.S. federal withholding Tax that is imposed on amounts payable to such Lender under any laws in effect at the time such Lender becomes a party hereto (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, immediately prior to the time of designation of a new lending office (or assignment), to receive additional amounts from the Company with respect to such withholding Tax pursuant to [Section 3.01\(a\)](#),

(c) any Tax that is attributable to such Lender or other recipient's failure to comply with [Section 3.01\(e\)](#); and

(d) any withholding Tax that is imposed pursuant to FATCA.

"**Existing Class**" has the meaning specified in [Section 2.17\(a\)](#).

"**Existing Credit Agreement**" means that certain Credit Agreement, dated as of September 28, 2012, by and among the Company, the lenders named therein, JPMorgan Chase Bank, N.A., as agent for such lender, and other parties thereto (as amended by the First Amendment to Credit Agreement dated as of May 20, 2013 and the Second Amendment to Credit Agreement dated as of May 30, 2014, respectively).

"**Existing Revolving Commitments**" has the meaning specified in [Section 2.17\(c\)](#).

"**Existing Revolving Loans**" has the meaning specified in [Section 2.17\(c\)](#).

"**Existing Senior Secured Notes**" means \$275,000,000 aggregate principal amount of 6.375% senior secured notes due 2020 of the Company issued under the Existing Senior Secured Notes Indenture.

**"Existing Senior Secured Notes Indenture"** means the Indenture, dated September 28, 2012 between the Company, certain guarantors party thereto and Wilmington Trust, National Association, as trustee and collateral agent.

**"Extended Maturity Date"** has the meaning specified in [Section 2.17\(a\)](#).

**"Extended Revolving Commitments"** has the meaning specified in [Section 2.17\(c\)](#).

**"Extended Revolving Loans"** has the meaning specified in [Section 2.17\(c\)](#).

**"Extension"** has the meaning specified in [Section 2.17\(a\)](#).

**"Extension Amendment"** has the meaning specified in [Section 2.17\(f\)](#).

**"Extension Offer"** has the meaning specified in [Section 2.17\(a\)](#).

**"Facilities"** means, collectively, (a) the Original Revolving Commitments and the extensions of credit made thereunder and (b) any Extended Revolving Commitments of a given Series and the extensions of credit made thereunder.

**"FATCA"** means Sections 1471 through 1474 of the Internal Revenue Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Internal Revenue Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreements, treaty or convention among Governmental Authorities and implementing such Sections of the Internal Revenue Code.

**"Federal Funds Rate"** means, for any day, the rate *per annum* equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided* that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to the Agent on such day on such transactions as determined by the Agent.

**"Financial Strength Rating Condition"** means, as at any date of determination, each of the Company's Insurance Subsidiaries (other than Conseco Life Insurance Company, Conseco Life Insurance Company of Texas and Bankers Conseco Life Insurance Company) has a financial strength rating of not less than A- (stable) from A.M. Best Company.

**"First Amendment"** means that certain First Amendment and Restatement Agreement to the Credit Agreement, dated as of October 13, 2017 as among the Company, the Agent and the Lenders party thereto.

**"First Amendment Effective Date"** means the first date all the conditions precedent in Section 3 of the First Amendment are satisfied or waived in accordance with [Section 10.01](#).

**"Fiscal Quarter"** means any fiscal quarter of a Fiscal Year.

**"Fiscal Year"** means any period of twelve consecutive calendar months ending on December 31.

**"Fitch"** means Fitch Ratings Limited.

**"Floor"** means a rate of interest equal to 0.00% per annum.

**"Foreign Lender"** means any Lender that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code.

**"Foreign Subsidiary"** means a Subsidiary (which may be a corporation, limited liability company, partnership or other legal entity) organized under the laws of a jurisdiction outside the United States, other than any such entity that is (whether as a matter of law, pursuant to an election by such entity or otherwise) treated as a partnership in which the Obligor is a partner or as a branch of the Obligor for United States income tax purposes.

**"Fourth Amendment"** means that certain Fourth Amendment and Restatement Agreement to the Credit Agreement, dated as of May 6, 2023 as among the Company, the Agent and the Lenders party thereto.

**"Fourth Amendment Effective Date"** means the first date all the conditions precedent in Section 3 of the Fourth Amendment are satisfied or waived in accordance with Section 10.01.

**"FRB"** means the Board of Governors of the Federal Reserve System and any Governmental Authority succeeding to any of its principal functions.

**"Fronting Exposure"** means, at any time there is a Defaulting Lender, with respect to any Issuing Bank or Swing Line Lender, such Defaulting Lender's Pro Rata Share of the outstanding Obligations with respect to Letters of Credit issued by Issuing Bank or Swing Line Loans made by the Swing Line Lender, as applicable, other than such Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized in accordance with the terms hereof.

**"Fund"** means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

**"GAAP"** means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), that are applicable to the circumstances as of the date of determination.

**"Governmental Acts"** means any act or omission, whether rightful or wrongful, of any present or future de jure or de facto government or Governmental Authority.

**"Governmental Authority"** means any nation or government, any state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any entity exercising executive, legislative, judicial or regulatory functions of or pertaining to government and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing, including any board of insurance, insurance department or insurance commissioner.

**"Guarantee"** means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

**"Hazardous Material"** means: (a) any "hazardous substance," as defined by CERCLA; (b) any "hazardous waste," as defined by the Resource Conservation and Recovery Act; (c) petroleum and any petroleum product; or (d) any other pollutant, contaminant, chemical, material, waste or substance in any form that is subject to regulation or, as to which, liability or standards of conduct can be imposed under any Environmental Law.

**"Historical Statutory Statements"** has the meaning specified in [Section 5.11](#).

**"Hybrid Securities"** mean any securities consisting of trust preferred securities, deferrable interest subordinated debt, mandatory convertible debt or other hybrid securities that

- (a) are shown on the consolidated financial statements of the Person as liabilities;
- (b) that are accorded at least some equity treatment by S&P or Moody's at the time of issuance thereof, and
- (c) by their terms (or by the terms of any security into which they are convertible or for which they are exchangeable) or upon the happening of any event or otherwise, does not mature, are not mandatorily redeemable and are not subject to any mandatory repurchase requirement at any time earlier than the date that is six months after the then Latest Maturity Date.

**"Increased Amount Date"** has the meaning specified in [Section 2.15](#).

**"Indebtedness"** means, with respect to any Person, without duplication:

- (a) all indebtedness of such Person for borrowed money or in respect of loans or advances;
- (b) all indebtedness of such Person evidenced by bonds, debentures, notes (including, without limitation, Hybrid Securities) or other similar instruments;
- (c) all indebtedness in respect of letters of credit, whether or not drawn, and bankers' acceptances and letters of guaranty issued for the account or upon the application or request of such Person;
- (d) all Capitalized Lease Liabilities of such Person;
- (e) the liabilities (if any) of such Person in respect of Swap Contracts as determined by reference to the Swap Termination Value thereof;
- (f) all obligations of such Person to pay the deferred purchase price of property or services that are included as liabilities in accordance with GAAP (other than accrued expenses incurred and trade accounts payable in each case in the ordinary course of business) and all obligations secured by a Lien on property owned or being purchased by such Person, but only to the extent of the lesser of the obligations secured or the value of the property to which such Lien is attached (including obligations arising under conditional sales or other title retention agreements);

(g) any obligations of a partnership of the kind referred to in **clauses (a)** through **(f)** above or **clause (h)** or **(i)** below in which such Person is a general partner;

(h) solely for purposes of **Section 7.11**, all obligations in respect of preferred stock (other than preferred stock that qualifies as permanent equity for purposes of GAAP) of such Person;

and

(i) all Contingent Obligations of such Person in connection with Indebtedness or obligations of others of the kinds referred to in **clauses (a)** through **(h)** above.

**"Indemnified Liabilities"** has the meaning specified in **Section 10.05**.

**"Indemnified Person"** has the meaning specified in **Section 10.05**.

**"Indemnified Taxes"** means (a) all Taxes imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes.

**"Independent Auditor"** has the meaning specified in **Section 6.01(a)**.

**"Insolvency Proceeding"** means, with respect to any Person, (a) any case, action or proceeding with respect to such Person before any court or other Governmental Authority relating to bankruptcy, reorganization, insolvency, liquidation, conservation, rehabilitation, receivership, dissolution, winding-up or relief of debtors or (b) any general assignment for the benefit of creditors, composition, marshalling of assets for creditors or other similar arrangement in respect of its creditors generally or any substantial portion of its creditors, in any case, undertaken under U.S. Federal, state or foreign law, including title 11 of the United States Code.

**"Insurance Subsidiary"** means any Subsidiary that is required to be licensed as an insurer or reinsurer.

**"Interest Payment Date"** means (a) with respect to any Base Rate Loan or any Daily Simple SOFR Loan, the last Business Day of each calendar quarter and (b) with respect to any Term SOFR Loan, the last day of each Interest Period applicable to the Credit Extension of which such Loan is a part; *provided* that if any Interest Period for a Term SOFR Loan exceeds three months, the date that falls three months after the beginning of such Interest Period and after each Interest Payment Date thereafter is also an Interest Payment Date (but in each case, subject to the definition of **"Interest Period"**).

**"Interest Period"** means, with respect to any Term SOFR Borrowing, the period beginning on the date of the applicable Credit Extension and ending on the numerically corresponding day in the calendar month that is one, three or six months thereafter, as the Company may elect; *provided* that:

(a) if any Interest Period would otherwise end on a day that is not a Business Day, that Interest Period shall be extended to the following Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the preceding Business Day;

(b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period; and

(c) [Reserved]; and

(d) no Interest Period with respect to any portion of the Revolving Loans shall extend beyond the Revolving Commitment Termination Date.

For purposes hereof, the date of a Credit Extension initially shall be the date on which such Credit Extension is made and thereafter shall be the effective date of the most recent continuation of such Credit Extension.

**"Interest Type"** means any type of Loan determined with respect to the interest option applicable thereto, which in each case shall be a Base Rate Loan, a Daily Simple SOFR Loan or a Term SOFR Loan.

**"Investment"** means any advance, loan, extension of credit (by way of guaranty or otherwise) or capital contribution to, or purchase (including purchases financed with equity) of any Capital Stock, bonds, notes, obligations, debentures or other debt securities of, or any other investment in, any Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment, but shall be reduced by the amount equal to any returns in respect of such Investment received by the investor thereof in the same form as the original Investment (or in cash).

**"Investment Grade Asset"** means any Investment with a fixed maturity that has a rating of (x) at least BBB- by S&P and, if such Investment is rated by Moody's, at least Ba2 from Moody's, (y) at least Baa3 by Moody's and, if such Investment is rated by S&P, at least BB from S&P, or (z) an NAIC rating of at least Class 2.

**"IRS"** means the Internal Revenue Service or any Governmental Authority succeeding to any of its principal functions under the Code.

**"Issuance Notice"** means an Issuance Notice substantially in the form of **Exhibit C-3**.

**"Issuing Bank"** means KeyBank as Issuing Bank hereunder, together with its permitted successors and assigns in such capacity, or any other Person that may become an Issuing Bank pursuant to **Section 2.04(j)**, with respect to Letters of Credit issued at the time such Person was a Lender. Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates or branches of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate or branch with respect to Letters of Credit issued by such Affiliate or branch.

**"Joinder Agreement"** means an agreement substantially in the form of **Exhibit K**.

**"KeyBank"** means KeyBank National Association.

**"L/C Exposure"** shall mean at any time the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time and (b) the aggregate amount of all payments or disbursements made by the Issuing Bank pursuant to a Letter of Credit that have not yet been reimbursed by or on behalf of the Company at such time. The L/C Exposure of any Revolving Lender at any time shall equal its Pro Rata Share of the aggregate L/C Exposure at such time.

**"Lenders"** has the meaning specified in the introduction to this Agreement and includes any other Person that shall have become a party hereto pursuant to an Assignment and Assumption in accordance with **Section 10.07**, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

**"Lending Office"** means, as to any Lender, the office or offices of such Lender specified as its "Lending Office" or "Domestic Lending Office", as the case may be, or **Section 10.02** or in its administrative questionnaire delivered to the Agent, or such other office or offices or office of a third party or sub-agent, as appropriate, as such Lender may from time to time notify the Company and the Agent. A Lender may have a different Lending Office for Base Rate Loans and SOFR Loans.

**"Letter of Credit"** means a commercial or standby letter of credit issued or to be issued by an Issuing Bank pursuant to this Agreement.

**"Letter of Credit Commitment Period"** shall mean the period beginning on the Closing Date and ending on the Revolving Commitment Termination Date with respect to the Original Revolving Commitments and Original Revolving Loans.

**"Letter of Credit Sublimit"** means the lesser of (i) **\$5,000,000** and (ii) the aggregate unused amount of the Revolving Commitments then in effect.

**"Letter of Credit Usage"** means, as at any date of determination, the sum of (i) the maximum aggregate amount which is, or at any time thereafter may become, available for drawing under all Letters of Credit then outstanding *plus* (ii) the aggregate amount of all drawings under Letters of Credit honored by any Issuing Bank and not theretofore reimbursed by or on behalf of the Company.

**"License"** means any license, certificate of authority, permit or other authorization that is required to be obtained from any Governmental Authority in connection with the operation, ownership or transaction of insurance business.

**"Lien"** means any security interest, mortgage, deed of trust, pledge, hypothecation, assignment, charge or deposit arrangement, encumbrance, lien (statutory or other) or preferential arrangement of any kind or nature whatsoever in respect of any property (including those created by, arising under or evidenced by, any conditional sale or other title retention agreement, the interest of a lessor under a capital lease or any financing lease having substantially the same economic effect as any of the foregoing) and any contingent or other agreement to provide any of the foregoing, but not including the interest of a lessor under an operating lease or a licensor under a license that does not otherwise secure an obligation.

**"Loan"** means a Revolving Loan, a Swing Line Loan and/or an Extended Revolving Loan, as applicable.

**"Loan Documents"** means this Agreement and amendments of and joinders to this Agreement that are deemed pursuant to their terms to be Loan Documents for purposes hereof, all Notes and any agency fee letter agreement entered into pursuant to **Section 2.11**.

**"Loan Notice"** means a notice of Credit Extension substantially in the form of **Exhibit C-1**.

**"Margin Stock"** means "margin stock" as such term is defined in Regulation T, U or X of the FRB.

**"Material Acquisition"** means any Acquisition of assets by the Company or its Subsidiaries in a transaction or series of related transactions for consideration exceeding **\$80,000,000**, other than any such

acquisition (x) by any Insurance Subsidiary in the ordinary course of business in compliance with the investment policy approved by the board of directors of such Insurance Subsidiary or (y) by the Company in compliance with the investment policy approved by the board of directors of the Company.

**"Material Adverse Effect"** means

- (a) a material adverse change in, or a material adverse effect upon, the business, properties, results of operations or financial condition of the Company and its Subsidiaries, taken as a whole;
- (b) a material impairment of the ability of the Company to perform its payment obligations under this Agreement or any other Loan Document; or
- (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Obligor of any Loan Document to which it is a party.

**"Material Disposition"** means any disposition of assets by the Company or its Subsidiaries in a transaction or series of related transactions for consideration exceeding \$80,000,000, other than any such disposition by any Insurance Subsidiary in the ordinary course of business consistent with the investment policy approved by the board of directors of such Insurance Subsidiary.

**"Minimum Collateral Amount"** means, at any time, (i) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 103% of the Fronting Exposure of each Issuing Bank with respect to Letters of Credit issued and outstanding at such time and (ii) otherwise, an amount determined by the Agent and each Issuing Bank in their reasonable discretion.

**"Minimum Extension Condition"** as defined in [Section 2.17\(c\)\(iv\)](#).

**"Moody's"** means Moody's Investors Service, Inc., together with any Person succeeding thereto by merger, consolidation or acquisition of all or substantially all of its assets, including substantially all of its business of rating securities.

**"Multiemployer Plan"** means a "multiemployer plan," within the meaning of Section 4001(a)(3) of ERISA, to which the Company, any of its Subsidiaries or any ERISA Affiliate makes, is making or is obligated to make contributions or, during the preceding six calendar years, has made, or been obligated to make, contributions.

**"NAIC"** means the National Association of Insurance Commissioners or any successor thereto, or in the absence of the National Association of Insurance Commissioners or such successor, any other association, agency or other organization performing advisory, coordination or other like functions among insurance departments, insurance commissioners and similar Governmental Authorities of the various states of the United States toward the promotion of uniformity in the practices of such Governmental Authorities.

**"Net Equity Proceeds"** means, with respect to the sale or issuance by the Company to any Person (other than to the Company or a Subsidiary thereof) of any Equity Interests, including, any conversion of debt securities into Equity Interests, the excess of (a) the gross proceeds from such sale, issuance or conversion over (b) all reasonable and customary underwriting commissions and legal, investment banking, brokerage and accounting and other professional fees and disbursements actually incurred in connection with each such sale, issuance or conversion.

**"New Revolving Commitments"** has the meaning specified in [Section 2.15](#).

"**New Revolving Loan Lender**" has the meaning specified in [Section 2.15](#).

"**New Revolving Loans**" has the meaning specified in [Section 2.15](#).

"**Non-Consenting Lender**" means a Lender that does not consent to an amendment or waiver pursuant to [Section 10.01](#) that requires the consent of all or all affected Lenders in order to become effective and as to which Lenders holding more than 50% of the Loans have consented.

"**Non-Defaulting Lender**" means, at any time, each Lender that is not a Defaulting Lender at such time.

"**Note**" has the meaning specified in [Section 2.07\(b\)](#).

"**Obligations**" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Obligor arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Obligor of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing, the Obligations of the Obligor under the Loan Documents include (a) the obligation to pay principal, interest, charges, expenses, fees, Attorney Costs, indemnities and other amounts payable by the Obligor under any Loan Document, (b) the obligation of the Obligor to reimburse any amount in respect of any of the foregoing that any Lender or Issuing Bank, in its sole discretion, may elect to pay or advance on behalf of the Obligor, and (c) the obligations to pay, discharge and satisfy the Erroneous Payment Subrogation Rights.

"**Obligor**" means the Company.

"**OFAC**" has the meaning specified in the definition of "Embargoed Person."

"**Organization Documents**" means

(a) with respect to any corporation, the certificate or articles of incorporation, the bylaws, any certificate of designation or instrument relating to the rights of preferred shareholders of such corporation, any shareholder rights agreement, and all applicable resolutions of the board of directors (or any committee thereof) of such corporation,

(b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement, and all applicable resolutions or consents of the governing body (or any committee thereof) of such limited liability company and

(c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and all applicable resolutions or consents of the governing body (or any committee thereof), or

in the case of [clauses \(a\), \(b\) and \(c\)](#), the equivalent or comparable constituent documents with respect to any Foreign Subsidiary.

**"Original Revolving Commitments"** means the commitments of the Revolving Lenders in effect as of the First Amendment Effective Date to fund Revolving Loans pursuant to [Section 2.02\(a\)](#). The aggregate amount of the Original Revolving Commitments as of the First Amendment Effective Date is \$250,000,000.

**"Original Revolving Loans"** means the Revolving Loans made by the Lenders to the Company under the Original Revolving Commitments pursuant to [Section 2.02\(a\)](#).

**"Other Taxes"** means any present or future recording, stamp, court or documentary Taxes or any other similar excise, sales or property Taxes, charges or similar levies that arise from any payment made under this Agreement or any other Loan Document or from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, this Agreement or any other Loan Document, except any such Taxes that are imposed with respect to an assignment (other than an assignment pursuant to a request by the Company under [Section 10.14](#)) by a jurisdiction (or any political subdivision thereof) described in [clause \(a\)](#) of the definition of "Excluded Taxes".

**"Participant"** has the meaning specified in [Section 10.07\(e\)](#).

**"Participant Register"** has the meaning specified in [Section 10.07\(e\)](#).

**"Patriot Act"** has the meaning specified in [Section 10.17](#).

**"Payment Recipient"** has the meaning assigned to it in [Section 9.14\(a\)](#).

**"PBGC"** means the Pension Benefit Guaranty Corporation or any Governmental Authority succeeding to any of its principal functions under ERISA.

**"Pension Plan"** means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA that the Company, any of its Subsidiaries or any ERISA Affiliate sponsors or maintains, or to which it makes, is making or is obligated to make contributions, or in the case of a multiple employer plan (as described in Section 4064(a) of ERISA) has made contributions at any time during the immediately preceding five plan years.

**"Permitted Portfolio Investments"** means Investments by the Insurance Subsidiaries made in the ordinary course of business.

**"Permitted Refinancing Indebtedness"** means any Indebtedness of any Subsidiary of the Company issued in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge other Subsidiary Debt; **provided** that:

(a) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Subsidiary Debt renewed, refunded, refinanced, replaced, defeased or discharged (plus all accrued interest on the Subsidiary Debt the amount of all fees and expenses, including premiums, incurred in connection therewith);

(b) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity that is (a) equal to or greater than the remaining Weighted Average Life to Maturity of, the Subsidiary Debt being renewed, refunded, refinanced, replaced, defeased or discharged or (b) more than 90 days after the Latest Maturity Date;

(c) if the Subsidiary Debt being renewed, refunded, refinanced, replaced, defeased or discharged is subordinated in right of payment to the Obligations, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Credit Parties as those contained in the documentation governing the Subsidiary Debt being renewed, refunded, refinanced, replaced, defeased or discharged; and

(d) such Subsidiary Debt is incurred either by the Subsidiary of the Company that was the obligor on the Subsidiary Debt being renewed, refunded, refinanced, replaced, defeased or discharged or any other Subsidiary that guaranteed such Subsidiary Debt and is guaranteed only by Persons who were obligors on such Subsidiary Debt.

**"Permitted Swap Obligations"** means all obligations (contingent or otherwise) of the Company or any Subsidiary existing or arising under Swap Contracts (including credit default swaps); provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with liabilities, commitments or assets held by such Person, or changes in the value of securities issued by such Person in conjunction with a securities repurchase program not otherwise prohibited hereunder, and not for purposes of speculation or taking a "market view".

**"Permitted Transactions"** means

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

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

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

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

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

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

**"Person"** means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or Governmental Authority or other entity of whatever nature.

**"Plan"** means an employee benefit plan (as defined in Section 3(3) of ERISA) that the Company or any of its Subsidiaries sponsors or maintains or to which the Company or any of its Subsidiaries makes, is making or is obligated to make, contributions and includes any Pension Plan.

**"Pro Forma Basis"** means, with respect to compliance with any test or covenant hereunder and in connection with any event or transaction requiring a calculation on a Pro Forma Basis for any period, compliance with such test or covenant after giving effect to such event or transaction, and

(a) in the case of any Material Acquisition or Material Disposition, including pro forma adjustments only to the extent consistent with Article 11 of Regulation S-X under the Securities Act and using for purposes of determining such compliance (x) in the case of any Material Acquisition, the historical financial statements of all entities or assets so acquired or to be acquired and (y) the consolidated financial statements of the Company and its Subsidiaries, which shall be reformulated as if such Material Acquisition or Material Disposition, and any other Material Acquisitions or Material Dispositions that have been consummated during such period, had been consummated on the first day of such period;

(b) in the case of any incurrence or prepayment or repayment of Indebtedness (other than under revolving credit facilities in the ordinary course of business), assuming such Indebtedness was incurred, prepaid or repaid on the first day of such period and assuming that such Indebtedness bears interest during the portion of such period prior to the date of incurrence at, in the case of Indebtedness bearing interest at a floating rate, the weighted average of the interest rates applicable to outstanding Loans during such period and, in the case of Indebtedness bearing interest at a fixed rate, such fixed rate;

(c) in the case of the declaration or payment of any dividend, assuming such dividend had been declared and paid on the first day of such period; and

(d) making such other pro forma adjustments as would be permitted or required by Regulation S-X under the Securities Act;

**provided, however,** that such compliance calculation shall take into account other cost savings measures identified by the Company which the Agent, in its reasonable business judgment, deems reasonably identifiable and factually supportable, and which cost savings measures have been certified by a Responsible Officer.

**"Pro Rata Share"** means, with respect to all payments, computations and other matters relating to the Revolving Commitment or Revolving Loans of any Lender or any Letters of Credit issued or participations purchased therein by any Lender or any participations in any Swing Line Loans purchased by any Lender, the percentage obtained by dividing (a) the Revolving Exposure of that Lender by (b) the aggregate Revolving Exposure of all Lenders;

**"Purchase Money Debt"** means Indebtedness incurred by a Person in connection with the purchase of fixed or capital assets by such Person, in which assets the seller or financier thereof has taken or retained a Lien; *provided* that (x) any such Lien attaches to such assets concurrently with or within 270 days after the purchase thereof by such Person and (y) at the time of incurrence of such Indebtedness, the aggregate principal amount of such Indebtedness shall not exceed the costs of the assets so purchased *plus* fees and expenses reasonably related thereto.

**"Quarterly Statement"** means the quarterly statutory financial statement of any Insurance Subsidiary required to be filed with the insurance commissioner (or similar authority) of its jurisdiction of incorporation or, if no specific form is so required, in the form of financial statements permitted by such insurance commissioner (or such similar authority) to be used for filing quarterly statutory financial

statements and shall contain the type of financial information permitted by such insurance commissioner (or such similar authority) to be disclosed therein, together with all exhibits or schedules filed therewith.

**"Refunded Swing Line Loans"** has the meaning specified in **Section 2.03(b)(iv)**.

**"Register"** has the meaning specified in **Section 10.07(d)**.

**"Reimbursement Date"** has the meaning specified in **Section 2.04(d)**.

**"Reinsurance Agreements"** means any agreement, contract, treaty, certificate or other arrangement by which any Insurance Subsidiary agrees to transfer or cede to another insurer all or part of the liability assumed or assets held by it under one or more insurance, annuity, reinsurance or retrocession policies, agreements, contracts, treaties, certificates or similar arrangements. Reinsurance Agreements shall include, but not be limited to, any agreement, contract, treaty, certificate or other arrangement that is treated as such by the applicable Department.

**"Related Parties"** means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

**"Release"** means any release, spill, emission, discharge, deposit, disposal, leaking, pumping, pouring, dumping, emptying, injection, migration or leaching into or through the Environment.

**"Relevant Governmental Body"** means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

**"Reportable Event"** means any of the events set forth in Section 4043(c) of ERISA or the regulations thereunder, other than any such event for which the 30-day notice requirement under ERISA has been waived in regulations issued by the PBGC.

**"Repurchase Agreement Indebtedness"** means Indebtedness of the Company or any of its Subsidiaries arising under repurchase agreements or similar agreements entered into with a financial institution pursuant to which the Company or such Subsidiary sells Cash Equivalents or other securities to such financial institution and agrees to repurchase such Cash Equivalents or other securities at a specified purchase price at a future date, the amount of which Indebtedness shall, for purposes of calculating the Debt to Total Capitalization Ratio, be deemed to be, as of any date of determination, the repurchase price for such Cash Equivalents or other securities.

**"Required Lenders"** means, as of any date of determination, one or more Lenders having or holding Revolving Exposure and representing more than 50% of the aggregate Revolving Exposure of all Revolving Lenders; *provided* that the aggregate amount of Revolving Exposure shall be determined with respect to any Defaulting Lender by disregarding the Revolving Exposure of such Defaulting Lender.

**"Requirement of Law"** means, as to any Person, any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or legally binding upon the Person or any of its property or to which the Person or any of its property is subject.

**"Resolution Authority"** means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

**"Responsible Officer"** means the chief executive officer, president, chief financial officer, treasurer or assistant treasurer of the Obligor. Any document delivered under any Loan Document that is signed by a Responsible Officer of the Obligor shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of the Obligor and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Obligor. Unless otherwise specified, "Responsible Officer" means a Responsible Officer of the Company.

**"Revolving Commitment"** means the commitment of a Lender to make or otherwise fund any Revolving Loan and to acquire participations in Letters of Credit and Swing Line Loans hereunder, and "Revolving Commitments" means such commitments of all Lenders in the aggregate. The amount of each Lender's Revolving Commitment, if any, is set forth on [Appendix A](#) or in the applicable Assignment and Assumption or Joinder Agreement, as applicable, subject to any adjustment or reduction pursuant to the terms and conditions hereof. Unless context shall otherwise require, "Revolving Commitment" shall include any Original Revolving Commitment, New Revolving Commitment or Extended Revolving Commitment.

**"Revolving Commitment Period"** means the period from the Closing Date to but excluding the Revolving Commitment Termination Date.

**"Revolving Commitment Termination Date"** means the earliest to occur of

- (a) (i) with respect to the Original Revolving Commitments and Original Revolving Loans, the fifth anniversary of the Second Amendment Effective Date, and  
(ii) with respect to any Extended Revolving Commitments and Extended Revolving Loans of a given Series, the Extended Maturity Date as specified in the Joinder Agreement,
- (b) the date the Revolving Commitments are permanently reduced to zero pursuant to [Section 2.09](#) and
- (c) the date of the termination of the Revolving Commitments pursuant to [Section 8.1](#).

**"Revolving Exposure"** means, with respect to any Lender as of any date of determination, (a) prior to the termination of the Revolving Commitments, that Lender's Revolving Commitment; and (b) after the termination of the Revolving Commitments, the sum of (i) the aggregate outstanding principal amount of the Revolving Loans of that Lender, (ii) in the case of any Issuing Bank, the aggregate Letter of Credit Usage in respect of all Letters of Credit issued by that Lender (net of any participations by Lenders in such Letters of Credit), (iii) the aggregate amount of all participations by that Lender in any outstanding Letters of Credit or any unreimbursed drawing under any Letter of Credit, (iv) in the case of Swing Line Lender, the aggregate outstanding principal amount of all Swing Line Loans (net of any participations therein by other Lenders), and (v) the aggregate amount of all participations therein by that Lender in any outstanding Swing Line Loans.

**"Revolving Lender"** means a Lender having a Revolving Commitment.

**"Revolving Loan"** means any Original Revolving Loan made by a Lender to the Company pursuant to [Section 2.2\(a\)](#), any New Revolving Loan made by a Lender to the Company pursuant to [Section 2.15](#) and, unless the context otherwise requires, any Extended Revolving Loan.

**"Revolving Loan Note"** means a promissory note in the form of [Exhibit B-1](#), as it may be amended, restated, supplemented or otherwise modified from time to time.

**"S&P"** means Standard & Poor's Ratings, a Standard & Poor's Financial Services LLC business, together with any Person succeeding thereto by merger, consolidation or acquisition of all or substantially all of its assets, including substantially all of its business of rating securities.

**"SAP"** means, with respect to any Insurance Subsidiary, the statutory accounting practices prescribed or permitted by the insurance commissioner (or other similar authority) in the jurisdiction of such Insurance Subsidiary for the preparation of annual statements and other financial reports by insurance companies of the same type as such Insurance Subsidiary that are applicable to the circumstances as of the date of filing of such statement or report.

**"SEC"** means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

**"Second Amendment"** means that certain Second Amendment and Restatement Agreement to the Credit Agreement, dated as of July 16, 2021 as among the Company, the Agent and the Lenders party thereto.

**"Second Amendment Effective Date"** means the first date all the conditions precedent in Section 3 of the Second Amendment are satisfied or waived in accordance with Section 10.01.

**"Securities Act"** means the Securities Act of 1933 and the regulations promulgated thereunder.

**"Senior Notes"** means \$500,000,000 aggregate principal amount of 5.25% senior notes due 2025 of the company issued under the Senior Notes Indenture.

**"Senior Notes Indenture"** means the Indenture, dated as of the Closing Date, among the Company and Wilmington Trust, National Association, as trustee, as supplemented by a first supplemental indenture between the Company and Wilmington Trust, National Association, as trustee for the Senior Notes.

**"Series"** means

- (a) with respect to Extended Revolving Commitments, all such Extended Revolving Commitments with the same terms and conditions including Extended Maturity Date and
- (b) with respect to Extended Revolving Loans, all Extended Revolving Loans with the same terms and conditions including Extended Maturity Date.

Extended Revolving Loans that are not fungible for United States federal income tax purposes shall be construed to be in different Series or tranches. Extended Revolving Commitments that, if and when drawn in the form of Extended Revolving Loans, would yield Loans that are construed to be in different Series or tranches pursuant to the immediately preceding sentence shall be construed to be in different Series or tranches of Extended Revolving Commitments corresponding to such Extended Revolving Loans.

**"Significant Subsidiary"** means any Subsidiary that would be a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Closing Date or any group of Subsidiaries that, taken together (as of the date of the latest audited consolidated financial statements for the Company and its Subsidiaries) would constitute a "significant subsidiary" as defined in Article 1, Rule 1-02 of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the Closing Date.

**"Single Employer Pension Plan"** means a pension plan (as defined in Section 3(2) of ERISA) subject to Title IV of ERISA, other than a Multiemployer Plan, that the Company, any of its Subsidiaries or any ERISA Affiliate sponsors or maintains, or to which the Company, any of its Subsidiaries or any ERISA Affiliate makes or is obligated to make contributions or could reasonably be expected to have liability, including any liability by reason of having been a substantial employer within the meaning of Section 4063 of ERISA at any time during the preceding five years or by reason of being deemed to be a contributing sponsor under Section 4069 of ERISA.

**"SOFR"** means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, currently at <http://www.newyorkfed.org>, or any successor source for the secured overnight financing rate identified as such by the SOFR Administrator from time to time.

**"SOFR Borrowing"** means a Term SOFR Borrowing and/or a Daily Simple SOFR Borrowing, as the context may require.

**"SOFR Business Day"** means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

**"SOFR Determination Day"** has the meaning specified in the definition of "Daily Simple SOFR".

**"SOFR Index Adjustment"** means a percentage equal to 0.10% per annum for Term SOFR Loans and 0.10% per annum for Daily Simple SOFR Loans, as applicable.

**"SOFR Loan"** means each Loan bearing interest at a rate based upon (a) Adjusted Term SOFR (other than pursuant to clause (c) of the definition of "Base Rate") or (b) Adjusted Daily Simple SOFR.

**"SOFR Rate Day"** has the meaning specified in the definition of "Daily Simple SOFR".

**"Subsidiary"** of a Person means any corporation, partnership, limited liability company, limited liability partnership, joint venture, trust, association or other unincorporated organization of which or in which such Person and such Person's Subsidiaries own directly or indirectly more than 50% of

- (a) the combined voting power of all classes of stock having general voting power under ordinary circumstances to elect a majority of the board of directors, if it is a corporation,
- (b) the voting or managing interests (which shall mean the general partner in the case of a partnership), if it is a partnership, joint venture or similar entity,
- (c) the beneficial interest, if it is a trust, association or other unincorporated organization or
- (d) the membership interest, if it is a limited liability company;

**provided** that (i) Wendover Limited, (ii) RiskGrid Technologies Inc. (iii) CounterpartyLink Ltd., (iv) CreekSource LLC and (v) for the avoidance of doubt, Mill Creek CLO Ltd., Sugar Creek CLO Ltd., Cedar Creek CLO Ltd., Silver Creek CLO Ltd., Clear Creek CLO Ltd. and any other variable interest entity formed after the Closing Date shall not be considered a Subsidiary for any purpose of this Agreement. Unless otherwise specified, "Subsidiary" means a Subsidiary of the Company.

"**Subsidiary Debt**" has the meaning specified in [Section 7.01](#).

"**Surplus Debentures**" means, as to any Insurance Subsidiary, debt securities of such Insurance Subsidiary issued to the Company or any other Subsidiary the proceeds of which are permitted to be included, in whole or in part, as Capital and Surplus of such Insurance Subsidiary as approved and permitted by the applicable Department.

"**Swap Contract**" means any agreement relating to any transaction (whether or not arising under a master agreement) that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap or option, bond, note or bill option, interest rate option, futures contract, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option, credit derivative transaction or any other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing, and any master agreement relating to or governing any or all of the foregoing.

"**Swap Termination Value**" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s) and (b) for any date prior to the date referenced in [clause \(a\)](#), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined by the Company based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include any Lender).

"**Swing Line Lender**" means KeyBank in its capacity as Swing Line Lender hereunder, together with its permitted successors and assigns in such capacity.

"**Swing Line Loan**" means a Loan made by Swing Line Lender to the Company pursuant to [Section 2.03](#).

"**Swing Line Note**" means a promissory note in the form of [Exhibit B-2](#), as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Swing Line Sublimit**" means the lesser of (i) **\$5,000,000** and (ii) the aggregate unused amount of Revolving Commitments then in effect.

"**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Term SOFR**" means for any calculation with respect to a Term SOFR Loan for any Interest Period, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the "**Lookback Day**") that is two SOFR Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; **provided, however,** that if as of 5:00 p.m. (New York City time) on any Lookback Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with

respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding SOFR Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding SOFR Business Day is not more than three SOFR Business Days prior to such Lookback Day, and for any calculation with respect to a Base Rate Loan, the Term SOFR Reference Rate for a tenor of one month on the day that is two SOFR Business Days prior to the date the Base Rate is determined, subject to the proviso provided above.

**"Term SOFR Administrator"** means CME (or a successor administrator of the Term SOFR Reference Rate, as selected by the Agent in its reasonable discretion).

**"Term SOFR Borrowing"** means a borrowing comprised of Term SOFR Loans.

**"Term SOFR Loan"** means each Loan bearing interest at a rate based upon Adjusted Term SOFR (other than pursuant to **clause (c)** of the definition of Base Rate).

**"Term SOFR Reference Rate"** means the forward-looking term rate based on SOFR.

**"Third Amendment"** means that certain Third Amendment to Credit Agreement, dated as of August 11, 2021 as among the Company and the Agent.

**"Third Amendment Effective Date"** means the first date all the conditions precedent in Section 3 of the Third Amendment are satisfied or waived in accordance with Section 10.01.

**"Total Capitalization"** means, without duplication, (a) the amount described in **clause (a)** of the definition of "Debt to Total Capitalization Ratio" (but including, for the purpose of this definition, the amount of Hybrid Securities excluded by subparagraph (iv) of such clause (a)) *plus* (b) the Total Shareholders' Equity of the Company.

**"Total Shareholders' Equity"** means the total common and preferred shareholders' equity of the Company as determined on a Consolidated basis and in accordance with GAAP (calculated excluding (i) unrealized gains (losses) on securities as determined in accordance with FASB ASC 320 (Investments—Debt and Equity Securities), (ii) any charges taken to write off any goodwill included on the Company's balance sheet on the Closing Date to the extent such charges are required by FASB ASC 320 (Investments—Debt and Equity Securities) and ASC 350 (Intangibles—Goodwill and Others) and (iii) Accumulated Other Comprehensive Income and Accumulated Other Comprehensive Loss).

**"Total Utilization of Revolving Commitments"** means, as at any date of determination, the sum of (i) the aggregate principal amount of all outstanding Revolving Loans (other than Revolving Loans made for the purpose of repaying any Refunded Swing Line Loans or reimbursing a Issuing Bank for any amount drawn under any Letter of Credit, but not yet so applied) *plus* (ii) the aggregate principal amount of all outstanding Swing Line Loans *plus* (iii) the Letter of Credit Usage.

**"Transactions"** means the (i) execution, delivery and performance by the Company of the Loan Documents to which it is to be a party, (ii) borrowing of Revolving Loans on the Second Amendment Effective Date (if requested by the Company) and (iii) payment of fees and expenses incurred in connection with the foregoing.

**"Unadjusted Benchmark Replacement"** means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

**"Unfunded Pension Liability"** means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 430 of the Code for the applicable plan year.

**"Uniform Commercial Code"** means the Uniform Commercial Code as in effect from time to time in the State of New York.

**"United States"** and **"U.S."** each means the United States of America.

**"UK Financial Institution"** means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

**"UK Resolution Authority"** means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

**"Voting Stock"** of any Person means Capital Stock of such Person entitling the holders thereof (whether at all times or only so long as no senior class of stock or other relevant equity interest has voting power by reason of any contingency) to vote in the election of the board of directors or similar governing body of such Person.

**"Weighted Average Life to Maturity"** means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

(a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by

(b) the then outstanding principal amount of such Indebtedness.

**"Wholly-Owned Subsidiary"** means any Person in which all of the Capital Stock (other than directors' and national citizen qualifying shares or *similares minimis* holdings by another Person, in each case, as required by law) is owned, beneficially and of record, by the Company, or by one or more of the other Wholly-Owned Subsidiaries, or both.

**"Write-Down and Conversion Powers"** means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

**Section 1.02 Other Interpretive Provisions.**

(a) The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms.

(b) The words "hereof," "herein," "hereunder" and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and subsection, Section, Schedule and Exhibit references are to this Agreement unless otherwise specified.

(c) (i) The term "documents" includes any and all instruments, documents, agreements, certificates, indentures, notices and other writings, however evidenced.

(ii) The term "including" is not limiting and means "including without limitation."

(iii) In the computation of periods of time from a specified date to a later specified date, the word "from" means "from and including," the words "to" and "until" each mean "to but excluding" and the word "through" means "to and including."

(d) Unless otherwise expressly provided herein or the context requires otherwise, (i) references to agreements (including this Agreement) and other contractual instruments shall be deemed to include all subsequent amendments and other modifications thereto, but only to the extent such amendments and other modifications are not prohibited by the terms of any Loan Document, (ii) references to any statute or regulation are to be construed as including all statutory and regulatory provisions consolidating, amending, replacing, supplementing or interpreting the statute or regulation, (iii) any reference herein to a Person shall be construed to include such Person's permitted successors and assigns and (iv) the word "property" shall be construed to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(e) The captions and headings of this Agreement are for convenience of reference only and shall not affect the interpretation of this Agreement.

(f) This Agreement and other Loan Documents may use several different limitations, tests or measurements to regulate the same or similar matters. All such limitations, tests and measurements are cumulative and shall each be performed in accordance with their terms.

(g) This Agreement and the other Loan Documents are the result of negotiations among, and have been reviewed by counsel to, the Agent, the Company and the other parties, and are the products of all parties. Accordingly, they shall not be construed against the Lenders or the Agent merely because of the Agent's or Lenders' involvement in their preparation.

**Section 1.03 Classification of Loans.**

For purposes of this Agreement, Loans may be classified and referred to by Interest Type (e.g., a "Term SOFR Loan").

**Section 1.04 Accounting Principles.**

(a) Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP as in effect from time to time, consistently applied; provided that any change in GAAP after the Closing Date will not cause any lease that was not or would not have been a capital lease

prior to such change to be deemed a capital lease and the obligations with respect thereto shall not constitute Indebtedness pursuant to paragraph (d) of the definition of "Indebtedness". Notwithstanding the foregoing, for purposes of determining compliance with any covenant (including the computation of any financial covenant) contained herein, Indebtedness of the Company and its Subsidiaries shall be deemed to be carried at 100% of the outstanding principal amount thereof, and the effects of FASB ASC 825 and FASB ASC 470-20 on financial liabilities shall be disregarded.

(b) References herein to particular columns, lines or sections of any Person's Annual Statement shall be deemed, where appropriate, to be references to the corresponding column, line or section of such Person's Quarterly Statement, or if no such corresponding column, line or section exists or if any report form changes, then to the corresponding item referenced thereby. In the event the columns, lines or sections of the Annual Statement or Quarterly Statement referenced herein are changed or renumbered from the columns, lines and sections applicable to the 2014 Annual Statement, or the March 31, 2015 Quarterly Statement, all such references shall be deemed references to such column, line or section as so renumbered or changed.

(c) In the event of any future Material Acquisition or Material Disposition, determinations of compliance with the financial covenants contained herein for any applicable period for which such calculation is being calculated shall be made on a Pro Forma Basis.

(d) If, at any time after the date of this Agreement, any material change is made to GAAP or the Company's accounting practices that would affect in any material respect the determination of compliance with the covenants set forth in this Agreement, the Company shall notify the Agent of the change and the Company and the Agent shall negotiate in good faith to amend such covenant, subject to the approval of the Required Lenders, to restore the Company and the Lenders to the position they occupied before the implementation of such material change in GAAP or accounting practices; *provided* that if the Company and the Agent are unable to reach agreement within 30 days following the implementation of such material change, the Agent shall be permitted, acting in good faith, to make such amendments, in each case subject to the approval of the Required Lenders, to the covenants set forth in this Agreement as it reasonably determines are necessary to restore the Company and the Lenders to the position they occupied prior to the implementation thereof.

#### **Section 1.05 Rates.**

The interest rate on Loans denominated in Dollars may be determined by reference to a benchmark rate that is, or may in the future become, the subject of regulatory reform or cessation. The Agent does not warrant or accept responsibility for, and shall not have any liability with respect to:

(a) the continuation of, administration of, submission of, calculation of or any other matter related to the Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, or any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR or any other Benchmark prior to its discontinuance or unavailability, or

(b) the effect, implementation or composition of any Benchmark Replacement Conforming Changes.

The Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto, in each case, in a manner adverse to the Company. The Agent may select information sources or services in its reasonable discretion to ascertain the Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Company, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service. The Agent will, in keeping with industry practice, continue using its current rounding practices in connection with the Base Rate, Daily Simple SOFR, Adjusted Daily Simple SOFR, the Term SOFR Reference Rate, Adjusted Term SOFR or Term SOFR. In connection with the use or administration of Daily Simple SOFR and Term SOFR, the Agent, in consultation with the Company, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Agent will promptly notify the Company and the Lenders of the effectiveness of any Benchmark Replacement Conforming Changes in connection with the use or administration of Daily Simple SOFR and Term SOFR.

## ARTICLE 2. THE CREDITS

### **Section 2.01 [Reserved].**

### **Section 2.02 Revolving Loans.**

(a) ***Revolving Commitments.*** During the Revolving Commitment Period, subject to the terms and conditions hereof, each Lender with a Revolving Commitment severally agrees to make Revolving Loans to the Company in an aggregate amount up to but not exceeding such Lender's Revolving Commitment; *provided* that, after giving effect to the making of any Revolving Loans, in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect. Amounts borrowed pursuant to this **Section 2.02(a)** may be repaid and reborrowed during the Revolving Commitment Period. Each Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Revolving Loans and all other amounts owed hereunder with respect to the Revolving Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) ***Borrowing Mechanics for Revolving Loans.***

(i) Except pursuant to **Section 2.04(d)**, Revolving Loans shall be made in an aggregate minimum amount of **\$1,000,000** and integral multiples of **\$500,000** in excess of that amount.

(ii) Whenever the Company desires that Lenders make Revolving Loans, the Company shall deliver to the Agent a fully executed and delivered Loan Notice no later than **10:00 a.m. (New York City time)** at least **three Business Days** in advance of the proposed Borrowing Date in the case of a SOFR Loan, and no later than **10:00 a.m. (New York City time)** on the proposed Borrowing Date in the case of a Revolving Loan that is a Base Rate Loan; *provided* that, if such Borrowing Date is the Closing Date, such Loan Notice may be delivered within such period shorter than **three Business Days** as may be agreed by the Agent with respect to SOFR Loans. Except as otherwise provided herein, a Loan Notice for a Revolving Loan that is a SOFR Loan shall be irrevocable on and after the related SOFR Determination Day.

(iii) Notice of receipt of each Loan Notice in respect of Revolving Loans, together with the amount of each Lender's Pro Rata Share thereof, if any, together with the applicable interest rate, shall be provided by the Agent to each applicable Lender by facsimile or other electronic communication with reasonable promptness, but (provided that the Agent shall have received such notice by **10:00 a.m. (New York City time)** not later than **3:00 p.m. (New York City time)** on the same day as the Agent's receipt of such Notice from the Company.

(iv) Each Lender shall make the amount of its Revolving Loan available to the Agent not later than **12:00 p.m. (New York City time)** on the applicable Borrowing Date by wire transfer of same day funds in Dollars, at the Agent's Office. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein, the Agent shall make the proceeds of such Revolving Loans available to the Company on the applicable Borrowing Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Revolving Loans received by the Agent from Lenders to be credited to the account of the Company at the Agent's Office or such other account as may be designated in writing to the Agent by the Company.

#### **Section 2.03 Swing Line Loans.**

(a) **Swing Line Loans Commitments.** During the Revolving Commitment Period, subject to the terms and conditions hereof, Swing Line Lender may, from time to time in its discretion, agree to make Swing Line Loans to the Company in the aggregate amount up to but not exceeding the Swing Line Sublimit; provided that, after giving effect to the making of any Swing Line Loan, in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect. Amounts borrowed pursuant to this **Section 2.03** may be repaid and reborrowed during the Revolving Commitment Period. Swing Line Lender's Revolving Commitment shall expire on the Revolving Commitment Termination Date and all Swing Line Loans and all other amounts owed hereunder with respect to the Swing Line Loans and the Revolving Commitments shall be paid in full no later than such date.

(b) **Borrowing Mechanics for Swing Line Loans.**

(i) Swing Line Loans shall be made in an aggregate minimum amount of **\$1,000,000** and integral multiples of **\$200,000** in excess of that amount.

(ii) Whenever the Company desires that Swing Line Lender make a Swing Line Loan, the Company shall deliver to the Agent a Loan Notice no later than **10:00 a.m. (New York City time)** on the proposed Borrowing Date.

(iii) Swing Line Lender shall make the amount of its Swing Line Loan available to the Agent not later than **3:00 p.m. (New York City time)** on the applicable Borrowing Date by wire transfer of same day funds in Dollars, at the Agent's Office. Except as provided herein, upon satisfaction or waiver of the conditions precedent specified herein, the Agent shall make the proceeds of such Swing Line Loans available to the Company on the applicable Borrowing Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Swing Line Loans received by the Agent from Swing Line Lender to be credited to the account of the Company at the Agent's Office, or to such other account as may be designated in writing to the Agent by the Company.

(iv) With respect to any Swing Line Loans which have not been voluntarily prepaid by the Company pursuant to Section 2.09, Swing Line Lender may at any time in its sole and absolute discretion, deliver to the Agent (with a copy to the Company), no later than **1:00 p.m. (New York City time)** at least **one Business Day** in advance of the proposed Borrowing Date, a notice (which shall be deemed to be a Loan Notice given by the Company) requesting that each Lender holding a Revolving Commitment make Revolving Loans that are Base Rate Loans to the Company on such Borrowing Date in an amount equal to the amount of such Swing Line Loans (the "Refunded Swing Line Loans") outstanding on the date such notice is given which Swing Line Lender requests Lenders to prepay. Anything contained in this Agreement to the contrary notwithstanding, (1) the proceeds of such Revolving Loans made by the Lenders other than Swing Line Lender shall be immediately delivered by the Agent to Swing Line Lender (and not to the Company) and applied to repay a corresponding portion of the Refunded Swing Line Loans and (2) on the day such Revolving Loans are made, Swing Line Lender's Pro Rata Share of the Refunded Swing Line Loans shall be deemed to be paid with the proceeds of a Revolving Loan made by Swing Line Lender to the Company, and such portion of the Swing Line Loans deemed to be so paid shall no longer be outstanding as Swing Line Loans and shall no longer be due under the Swing Line Note of Swing Line Lender but shall instead constitute part of Swing Line Lender's outstanding Revolving Loans to the Company and shall be due under the Revolving Loan Note issued by the Company to Swing Line Lender. The Company hereby authorizes the Agent and Swing Line Lender to charge the Company's accounts with the Agent and Swing Line Lender (up to the amount available in each such account) in order to immediately pay Swing Line Lender the amount of the Refunded Swing Line Loans to the extent the proceeds of such Revolving Loans made by Lenders, including the Revolving Loans deemed to be made by Swing Line Lender, are not sufficient to repay in full the Refunded Swing Line Loans. If any portion of any such amount paid (or deemed to be paid) to Swing Line Lender should be recovered by or on behalf of the Company from Swing Line Lender in bankruptcy, by assignment for the benefit of creditors or otherwise, the loss of the amount so recovered shall be ratably shared among all Lenders in the manner contemplated by Section 2.14.

(v) If for any reason Revolving Loans are not made pursuant to Section 2.03(b)(iv) in an amount sufficient to repay any amounts owed to Swing Line Lender in respect of any outstanding Swing Line Loans on or before the third Business Day after demand for payment thereof by Swing Line Lender, each Lender holding a Revolving Commitment shall be deemed to, and hereby agrees to, have purchased a participation in such outstanding Swing Line Loans, and in an amount equal to its Pro Rata Share of the applicable unpaid amount together with accrued interest thereon. Upon **one Business Day's** notice from Swing Line Lender, each Lender holding a Revolving Commitment shall deliver to Swing Line Lender an amount equal to its respective participation in the applicable unpaid amount in same day funds at the Swing Line Lender's Lending Office. In order to evidence such participation each Lender holding a Revolving Commitment agrees to enter into a participation agreement at the request of Swing Line Lender in form and substance reasonably satisfactory to Swing Line Lender. In the event any Lender holding a Revolving Commitment fails to make available to Swing Line Lender the amount of such Lender's participation as provided in this paragraph, Swing Line Lender shall be entitled to recover such amount on demand from such Lender together with interest thereon for **three Business Days** at the rate customarily used by Swing Line Lender for the correction of errors among banks and thereafter at the Base Rate, as applicable.

(vi) Notwithstanding anything contained herein to the contrary,

(A) each Lender's obligation to make Revolving Loans for the purpose of repaying any Refunded Swing Line Loans pursuant to Section 2.03(b)(iv) and each

Lender's obligation to purchase a participation in any unpaid Swing Line Loans pursuant to Section 2.03(b)(v) shall be absolute and unconditional and shall not be affected by any circumstance, including

- (i) any set-off, counterclaim, recoupment, defense or other right which such Lender may have against Swing Line Lender, the Obligor or any other Person for any reason whatsoever;
- (ii) the occurrence or continuation of a Default or Event of Default;
- (iii) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Obligor;
- (iv) any breach of this Agreement or any other Loan Document by any party thereto; or
- (v) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing;

**provided** that such obligations of each Lender are subject to the condition that Swing Line Lender shall not have received prior notice from the Company or the Required Lenders that any of the conditions under Section 4.02 to the making of the applicable Refunded Swing Line Loans or other unpaid Swing Line Loans, were not satisfied at the time such Refunded Swing Line Loans or unpaid Swing Line Loans were made; and

(B) Swing Line Lender shall not be obligated to make any Swing Line Loans

- (i) if it has elected not to do so after the occurrence and during the continuation of a Default or Event of Default,
- (ii) it does not in good faith believe that all conditions under Section 4.02 to the making of such Swing Line Loan have been satisfied or waived by the Required Lenders or
- (iii) at a time when any Lender is a Defaulting Lender unless Swing Line Lender has entered into arrangements satisfactory to it and the Company to eliminate Swing Line Lender's risk with respect to the Defaulting Lender's participation in such Swing Line Loan, including by Cash Collateralizing such Defaulting Lender's Pro Rata Share of the outstanding Swing Line Loans.

(c) **Resignation and Removal of Swing Line Lender** Swing Line Lender may resign as Swing Line Lender upon **30 days** prior written notice to the Agent, Lenders and the Company. Swing Line Lender may be replaced at any time by written agreement among the Company, the Agent, the replaced Swing Line Lender (**provided** that no consent will be required if the replaced Swing Line Lender has no Swing Line Loans outstanding) and the successor Swing Line Lender. The Agent shall notify the Lenders of any such replacement of Swing Line Lender. At the time any such replacement or resignation shall become effective, (i) the Company shall prepay any outstanding Swing Line Loans made by the resigning or removed Swing Line Lender, (ii) upon such prepayment, the resigning or removed Swing Line Lender shall surrender any Swing Line Note held by it to the Company for cancellation, and (iii) the Company shall issue, if so requested by the successor Swing Line Lender, a new Swing Line Note to the successor Swing Line Lender, in the principal amount of the Swing Line Sublimit then in effect and with other appropriate insertions. From and after the effective date of any such replacement or resignation, (x)

any successor Swing Line Lender shall have all the rights and obligations of a Swing Line Lender under this Agreement with respect to Swing Line Loans made thereafter and (y) references herein to the term "Swing Line Lender" shall be deemed to refer to such successor or to any previous Swing Line Lender, or to such successor and all previous Swing Line Lenders, as the context shall require.

#### **Section 2.04 Issuance of Letters of Credit and Purchase of Participations Therein**

(a) **Letters of Credit.** During the Letter of Credit Commitment Period, subject to the terms and conditions hereof, each Issuing Bank shall issue Letters of Credit in respect of which the Company is the applicant for the support of its and/or its Subsidiaries obligations in the aggregate amount up to but not exceeding the Letter of Credit Sublimit; *provided*,

- (i) each Letter of Credit shall be denominated in Dollars;
- (ii) the stated amount of each Letter of Credit shall not be less than **\$25,000** or such lesser amount as is acceptable to the applicable Issuing Bank;
- (iii) after giving effect to such issuance, in no event shall the Total Utilization of Revolving Commitments exceed the Revolving Commitments then in effect;
- (iv) after giving effect to such issuance, in no event shall the Letter of Credit Usage exceed the Letter of Credit Sublimit then in effect;
- (v) in no event shall any Letter of Credit have an expiration date later than the earlier of (1) five days prior to the end of the Letter of Credit Commitment Period and (2) the date which is one year from the date of issuance of such Letter of Credit; and
- (vi) in no event shall any Letter of Credit be issued if such Letter of Credit is otherwise unacceptable to the applicable Issuing Bank in its reasonable discretion.

Subject to the foregoing, an Issuing Bank may agree that a standby Letter of Credit will automatically be extended for one or more successive periods not to exceed one year each, unless Issuing Bank elects not to extend for any such additional period; *provided* that such Issuing Bank shall not extend any such Letter of Credit if it has received written notice from a Lender or the Company that an Event of Default has occurred and is continuing at least two Business Days prior to the time such Issuing Bank must elect to allow such extension; *provided, further*, if any Lender is a Defaulting Lender, each Issuing Bank shall not be required to issue any Letter of Credit unless Issuing Bank has entered into arrangements satisfactory to it and the Company to eliminate Issuing Bank's risk with respect to the participation in Letters of Credit of the Defaulting Lender.

(b) **Notice of Issuance.** Whenever the Company desires the issuance of a Letter of Credit, it shall deliver to the Agent an Issuance Notice no later than **11:00 a.m. (New York City time)** at least **three Business Days** (in the case of standby letters of credit) or **five Business Days** (in the case of commercial letters of credit), or in each case such shorter period as may be agreed to by the Issuing Bank identified on such Issuance Notice in any particular instance, in advance of the proposed date of issuance. Subject to the conditions set forth in **Section 4.02**, such Issuing Bank shall issue the requested Letter of Credit only in accordance with such Issuing Bank's standard operating procedures. If requested by such Issuing Bank, the Company also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Company to, or entered into by the Company with, such

Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. Upon the issuance of any Letter of Credit or amendment or modification to a Letter of Credit, the applicable Issuing Bank shall promptly notify the Agent of such issuance which shall notify each Lender with a Revolving Commitment of such issuance, which notice shall be accompanied by a copy of such Letter of Credit or amendment or modification to a Letter of Credit and the amount of such Lender's respective participation in such Letter of Credit pursuant to **Section 2.04(e)**.

(c) **Responsibility of Issuing Bank With Respect to Requests for Drawings and Payments** In determining whether to honor any drawing under any Letter of Credit issued by an Issuing Bank by the beneficiary thereof, such Issuing Bank shall be responsible only to examine the documents delivered under such Letter of Credit with reasonable care so as to ascertain whether they appear on their face to be in substantial compliance with the terms and conditions of such Letter of Credit. As between the Company and any Issuing Bank, the Company assumes all risks of the acts and omissions of, or misuse of the Letters of Credit issued by such Issuing Bank, by the respective beneficiaries of such Letters of Credit. In furtherance and not in limitation of the foregoing, each Issuing Bank shall not be responsible for:

- (i) the form, validity, sufficiency, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for and issuance of any such Letter of Credit, even if it should in fact prove to be in any or all respects invalid, insufficient, inaccurate, fraudulent or forged;
- (ii) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any such Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;
- (iii) failure of the beneficiary of any such Letter of Credit to comply fully with any conditions required in order to draw upon such Letter of Credit;
- (iv) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph, telex or otherwise, whether or not they be in cipher;
- (v) errors in interpretation of technical terms;
- (vi) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any such Letter of Credit or of the proceeds thereof;
- (vii) the misapplication by the beneficiary of any such Letter of Credit of the proceeds of any drawing under such Letter of Credit; or
- (viii) any consequences arising from causes beyond the control of Issuing Bank, including any Governmental Acts.

None of the above shall affect or impair, or prevent the vesting of, any of each Issuing Bank's rights or powers hereunder. Without limiting the foregoing and in furtherance thereof, any action taken or omitted by any Issuing Bank under or in connection with the Letters of Credit or any documents and certificates delivered thereunder, if taken or omitted in good faith (as defined under Article 5 of the Uniform Commercial Code as adopted by the State of New York), shall not give rise to any liability on the part of such Issuing Bank to the Company. Notwithstanding anything to the contrary contained in this **Section 2.04(c)**, the Company shall retain any and all rights it may have against an Issuing Bank for any direct damages (as opposed to special, indirect, consequential or punitive damages, which claims are hereby waived by the Company to the extent permitted under applicable law) suffered by the Company arising

solely out of the gross negligence or willful misconduct of such Issuing Bank in determining whether documents delivered under any Letter of Credit substantially comply with the terms thereof as determined by a final, non-appealable judgment of a court of competent jurisdiction.

(d) **Reimbursement by the Company of Amounts Drawn or Paid Under Letters of Credit** In the event an Issuing Bank has determined to honor a drawing under a Letter of Credit, it shall promptly notify the Company and the Agent, and the Company shall reimburse such Issuing Bank on or before the Business Day immediately following the date on which such notice is provided (the "Reimbursement Date") in an amount in Dollars and in same day funds equal to the amount of such drawing to be honored<sup>provided</sup> that any failure to give or delay in giving such notice shall not relieve the Company of its obligation to reimburse such Issuing Bank and the Lenders with respect to their respective obligations under **Section 2.04(e)** once such notice is delivered; <sup>provided, further,</sup> that anything contained herein to the contrary notwithstanding, (i) unless the Company shall have notified the Agent and such Issuing Bank prior to 11:00 a.m. (New York City time) on the date such drawing is honored that the Company intends to reimburse such Issuing Bank for the amount of such honored drawing with funds other than the proceeds of Revolving Loans, the Company shall be deemed to have given a timely Loan Notice to the Agent requesting Lenders with Revolving Commitments to make Revolving Loans that are Base Rate Loans on the Reimbursement Date in an amount in Dollars equal to the amount of such honored drawing, and (ii) subject to satisfaction or waiver of the conditions specified in **Section 4.02**, Lenders with Revolving Commitments shall, on the Reimbursement Date, make Revolving Loans that are Base Rate Loans in the amount of such honored drawing, the proceeds of which shall be applied directly by the Agent to reimburse the honoring Issuing Bank for the amount of such honored drawing; <sup>provided, further,</sup> if for any reason proceeds of Revolving Loans are not received by the honoring Issuing Bank on the Reimbursement Date in an amount equal to the amount of such honored drawing, the Company shall reimburse such Issuing Bank, on demand, in an amount in same day funds equal to the excess of the amount of such honored drawing over the aggregate amount of such Revolving Loans, if any, which are so received. Nothing in this **Section 2.04(d)** shall be deemed to relieve any Lender with a Revolving Commitment from its obligation to make Revolving Loans on the terms and conditions set forth herein, and the Company shall retain any and all rights it may have against any such Lender resulting from the failure of such Lender to make such Revolving Loans under this **Section 2.04(d)**.

(e) **Lenders' Purchase of Participations in Letters of Credit** Immediately upon the issuance of each Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof), each Lender having a Revolving Commitment shall be deemed to have purchased, and hereby agrees to irrevocably purchase, from the Issuing Bank that issued such Letter of Credit a participation in such Letter of Credit and any drawings honored thereunder in an amount equal to such Lender's Pro Rata Share (with respect to the Revolving Commitments) of the maximum amount which is or at any time may become available to be drawn thereunder. In the event that the Company shall fail for any reason to reimburse such Issuing Bank as provided in **Section 2.04(d)**, such Issuing Bank shall promptly notify each Lender with a Revolving Commitment of the unreimbursed amount of such honored drawing and of such Lender's respective participation therein based on such Lender's Pro Rata Share of the Revolving Commitments. Each Lender with a Revolving Commitment shall make available to such Issuing Bank an amount equal to its respective participation, in Dollars and in same day funds, at the office of Issuing Bank specified in such notice, not later than 12:00 p.m. (New York City time) on the first business day (under the laws of the jurisdiction in which such office of Issuing Bank is located) after the date notified by such Issuing Bank. In the event that any Lender with a Revolving Commitment fails to make available to such Issuing Bank on such business day the amount of such Lender's participation in such Letter of Credit as provided in this **Section 2.04(e)**, such Issuing Bank shall be entitled to recover such amount on demand from such Lender together with interest thereon for **three Business Days** at the rate customarily used by such Issuing Bank for the correction of errors among banks and thereafter at the Base Rate. In the event such Issuing Bank shall have been reimbursed by other Lenders pursuant to this **Section 2.04(e)** for all or

any portion of any drawing honored by such Issuing Bank under a Letter of Credit, such Issuing Bank shall distribute to each Lender which has paid all amounts payable by it under ~~the~~**Section 2.04(e)** with respect to such honored drawing such Lender's Pro Rata Share of all payments subsequently received by such Issuing Bank from the Company in reimbursement of such honored drawing when such payments are received. Any such distribution shall be made to a Lender at its Lending Office or at such other address as such Lender may request.

(f) **Obligations Absolute.** The obligation of the Company to reimburse any Issuing Bank for drawings honored under the Letters of Credit issued by it and to repay any Revolving Loans made by Lenders pursuant to **Section 2.04(d)** and the obligations of Lenders under **Section 2.04(e)** shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms hereof under all circumstances including any of the following circumstances:

- (i) any lack of validity or enforceability of any Letter of Credit;
- (ii) the existence of any claim, set-off, defense or other right which the Company or any Lender may have at any time against a beneficiary or any transferee of any Letter of Credit (or any Persons for whom any such transferee may be acting), any Issuing Bank, Lender or any other Person or, in the case of a Lender, against the Company, whether in connection herewith, the transactions contemplated herein or any unrelated transaction (including any underlying transaction between the Company or one of its Subsidiaries and the beneficiary for which any Letter of Credit was procured);
- (iii) any draft or other document presented under any Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect;
- (iv) payment by any Issuing Bank under any Letter of Credit against presentation of a draft or other document which does not substantially comply with the terms of such Letter of Credit;
- (v) any adverse change in the business, operations, properties, assets, condition (financial or otherwise) or prospects of the Company or any of its Subsidiaries;
- (vi) any breach hereof or any other Loan Document by any party thereto;
- (vii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing; or
- (viii) the fact that an Event of Default or a Default shall have occurred and be continuing.

(g) **Indemnification.** Without duplication of any obligation of the Company under **Section 10.04** or **10.05**, in addition to amounts payable as provided herein, the Company hereby agrees to protect, indemnify, pay and save harmless each Issuing Bank from and against any and all claims, demands, liabilities, damages, losses, costs, charges and expenses (including reasonable fees, expenses and disbursements of one outside counsel) which such Issuing Bank may incur or be subject to as a consequence, direct or indirect, of (i) the issuance or wrongful dishonor of any Letter of Credit by any Issuing Bank, other than as a result of the gross negligence or willful misconduct of such Issuing Bank as determined by a final, non-appealable judgment of a court of competent jurisdiction or (ii) the failure of any Issuing Bank to honor a drawing under any such Letter of Credit as a result of any Governmental Act.

Paragraph (g) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(h) **Resignation and Removal of Issuing Bank** Any Issuing Bank may resign as Issuing Bank upon **60 days** prior written notice to the Agent, Lenders and the Company. An Issuing Bank may be replaced at any time by written agreement among the Company, the Agent, the replaced Issuing Bank (*provided* that no consent will be required if the replaced Issuing Bank has no Letters of Credit or reimbursement obligations with respect thereto outstanding) and the successor Issuing Bank. The Agent shall notify the Lenders of any such replacement of such Issuing Bank. At the time any such replacement or resignation shall become effective, the Company shall pay all unpaid fees accrued for the account of the replaced Issuing Bank. From and after the effective date of any such replacement or resignation, (i) any successor Issuing Bank shall have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement or resignation of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto to the extent that Letters of Credit issued by it (or reimbursement obligations with respect thereto) remain outstanding and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement or resignation, but shall not be required to issue additional Letters of Credit.

(i) **Cash Collateralization.** If any Event of Default shall occur and be continuing, on the Business Day that the Company receives notice from the Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with L/C Exposure representing greater than 50% of the total L/C Exposure) demanding the deposit of Cash Collateral pursuant to this paragraph, the Company shall deposit in an account with the Agent, in the name of the Agent and for the benefit of the Lenders, an amount in cash equal to **103%** of the L/C Exposure as of such date plus any accrued and unpaid interest thereon; *provided* that the obligation to deposit such Cash Collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Company described in [clause \(f\)](#) or [\(g\)](#) of [Section 8](#). Such deposit shall be held by the Agent as collateral for the payment and performance of the obligations of the Company under this Agreement. The Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Agent and at the Company's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Agent to reimburse each Issuing Bank for any drawing under a Letter of Credit issued thereby for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Company for the L/C Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with L/C Exposure representing greater than 50% of the total L/C Exposure), be applied to satisfy other obligations of the Company under this Agreement. If the Company is required to provide an amount of Cash Collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Company within three Business Days after all Events of Default have been cured or waived.

(j) **Additional Issuing Banks.** The Company may, at any time and from time to time with the consent of the Agent (which consent shall not be unreasonably withheld or delayed) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement, subject to reporting requirements reasonably satisfactory to the Agent with respect to issuances, amendments, extensions and terminations of Letters of Credit by such additional issuing bank. Any Lender designated as an issuing bank pursuant to this [Section 2.04\(j\)](#) shall be deemed to be an "Issuing

Bank" (in addition to being a Lender) in respect of Letters of Credit issued or to be issued by such Lender, and, with respect to such Letters of Credit, such term shall thereafter apply to such Lender.

#### **Section 2.05 Pro Rata Shares.**

All Loans shall be made, and all participations purchased, by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby nor shall any Revolving Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder or purchase a participation required hereby.

#### **Section 2.06 Conversion and Continuation of Loans.**

(a) Each conversion of Loans from one Interest Type to the other, and each continuation of Term SOFR Loans shall be made upon the Company's irrevocable written notice to the Agent in the form of a Conversion/Continuation Notice, appropriately completed and signed by a Responsible Officer of the Company. Each such Conversion/Continuation Notice must be received by the Agent not later than **11:00 a.m. (New York City time) three Business Days** prior to the requested date of any conversion to or continuation of SOFR Loans or of any conversion of SOFR Loans to Base Rate Loans. Except as otherwise provided herein, a Term SOFR Loan may be continued or converted only on the last day of an Interest Period for such Term SOFR Loan. The Agent shall determine the interest rate that shall apply to any converted or continued SOFR Loans pursuant to **Section 2.10(c)**.

(b) Each Conversion/Continuation Notice shall specify (i) whether the Company is requesting a conversion of Loans from one Interest Type to the other, or a continuation of Term SOFR Loans, (ii) the requested date of the conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Loans to be converted or continued, (iv) the Interest Type of Loans to which existing Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto (each such Interest Period shall comply with the provisions of the definition of "Interest Period").

(c) Notwithstanding any contrary provision hereof, if (i) an Event of Default of the type described in **Section 8.01(a), (f) or (g)** has occurred and is continuing, unless the Required Lenders otherwise consent or (ii) any other Event of Default has occurred and is continuing and the Required Lenders have requested, each Loan will be converted into a Base Rate Loan at the end of the Interest Period applicable thereto.

#### **Section 2.07 Notes; Loan Accounts.**

(a) Each Loan made by each Lender shall be evidenced by one or more loan accounts or records maintained by such Lender and by the Agent in the ordinary course of business. The loan accounts or records maintained by the Agent and each Lender shall be conclusive evidence of the amount of the Loans made by the Lenders to the Company and the interest and payments thereon absent manifest error. Any failure so to record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Company hereunder to pay any amount owing with respect to the Loans. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Agent in respect of such matters, the accounts and records of the Agent shall control in the absence of manifest error.

(b) Upon the request of any Lender made through the Agent, instead of or in addition to loan accounts, the Loans made by each Lender may be evidenced by one or more Revolving Loan Notes or Swing Line Notes, substantially the form of **Exhibit B-1** or **Exhibit B-2**, as applicable, hereto (each such

note, a "Note"). Each Lender shall endorse on the schedules annexed to its Note the date, amount and maturity of each Loan deemed made by it and the amount of each payment of principal made by the Company with respect thereto. Each such Lender is irrevocably authorized by the Company to endorse its Note and each Lender's record shall be conclusive absent manifest error; provided that the failure of a Lender to make, or an error in making, a notation thereon with respect to any Loan shall not limit or otherwise affect the obligations of the Company hereunder or under any such Note to such Lender.

**Section 2.08 [Reserved].**

**Section 2.09 Optional and Mandatory Prepayments and Reductions of Commitments.**

(a) ***Optional Prepayments.*** The Company will have the right at any time to prepay any Credit Extension in whole or in part, in minimum amounts of **\$250,000** or any multiple of **\$100,000** in excess thereof, subject to the provisions of this Section.

(b) ***Voluntary Commitment Reductions.***

(i) The Company may, upon not less than three Business Days' prior written or telephonic notice to the Agent, at any time and from time to time terminate in whole or permanently reduce in part, without premium or penalty, the Revolving Commitments in an amount up to the amount by which the Revolving Commitments exceed the Total Utilization of Revolving Commitments at the time of such proposed termination or reduction; provided that any such partial reduction of the Revolving Commitments shall be in an aggregate minimum amount of **\$2,500,000** and integral multiples of **\$500,000** in excess of that amount.

(ii) The Company's notice to the Agent shall designate the date (which shall be a Business Day) of such termination or reduction and the amount of any partial reduction, and shall reduce the Revolving Commitment of each Lender proportionately to its Pro Rata Share thereof.

(c) [Reserved].

(d) ***Mandatory Prepayments.*** The Company shall from time to time prepay *first*, the Swing Line Loans, and *second*, the Revolving Loans to the extent necessary so that the Total Utilization of Revolving Commitments shall not at any time exceed the Revolving Commitments then in effect.

(e) ***Application of Prepayments.*** Any prepayment of any Loan pursuant to **Section 2.09(a)** shall be applied as specified by the Company in the applicable notice of prepayment; provided that in the event the Company fails to specify the Loans to which any such prepayment shall be applied, such prepayment shall be applied as follows:

(i) *first*, to repay outstanding Swing Line Loans to the full extent thereof; and

(ii) *second*, to repay outstanding Revolving Loans to the full extent thereof.

(f) ***Notice of Prepayments.*** The Company shall notify the Agent in writing of any prepayment of any Credit Extension hereunder (i) in the case of a SOFR Loan, not later than **11:00 a.m. (New York City time) three Business Days** before the date of prepayment and (ii) in the case of a Base Rate Loan, not later than **11:00 a.m. (New York City time)** on the prepayment date. Each such notice shall be irrevocable (other than to the extent provided in connection with refinancing the Obligations) and shall specify the prepayment date and the principal amount of each Credit Extension or portion thereof to be prepaid. Promptly after it receives any such notice, the Agent shall advise the Lenders of the contents thereof.

(g) **Application of Prepayments of Loans to Base Rate Loans and SOFR Loans** Considering each Class of Loans being prepaid separately, any prepayment thereof shall be applied first to Base Rate Loans to the full extent thereof before application to SOFR Loans, in each case in a manner which minimizes the amount of any payments required to be made by the Company pursuant to **Section 3.05(b)**.

**Section 2.10 Interest.**

(a) Except as otherwise set forth herein, each Class of Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof as follows:

- (i) in the case of Revolving Loans:
  - (A) if a Base Rate Loan, at the Base Rate *plus* the Applicable Margin;
  - (B) if a Daily Simple SOFR Loan, Adjusted Daily Simple SOFR *plus* the Applicable Margin; or
  - (C) if a Term SOFR Loan, the Adjusted Term SOFR *plus* the Applicable Margin;
- (ii) in the case of Swing Line Loans, at the Base Rate *plus* the Applicable Margin.

(b) The basis for determining the rate of interest with respect to any Loan (except Swing Line Loans which shall be made and maintained as Base Rate Loans only), and the Interest Period with respect to any Term SOFR Loan, shall be selected by the Company and notified to the Agent and Lenders pursuant to the applicable Loan Notice or Conversion/Continuation Notice, as the case may be; *provided* that the Company may not select the Adjusted Term SOFR for any Credit Extension if the aggregate amount of such Credit Extension is less than \$1,000,000.

(c) In connection with Term SOFR Loans there shall be no more than **ten (10) Interest Periods** outstanding at any time. In the event the Company fails to specify between a Base Rate Loan or a SOFR Loan in the applicable Loan Notice or Conversion/Continuation Notice, such Loan (if outstanding as a SOFR Loan) will be automatically converted into a Base Rate Loan on the last day of the then-current Interest Period for such Loan (or if outstanding as a Base Rate Loan will remain as, or (if not then outstanding) will be made as, a Base Rate Loan). Similarly, if no election is specified by the Company in the Loan Notice as to whether a SOFR Borrowing is to be a Term SOFR Loan or Daily Simple SOFR Loan, then the requested Borrowing shall be a Daily Simple SOFR Loan. In the event the Company fails to specify an Interest Period for any Term SOFR Loan in the applicable Loan Notice or Conversion/Continuation Notice (or fails to deliver a Conversion/Continuation Notice within the time limits provided in **Section 2.06(a)**), the Company shall be deemed to have selected an Interest Period of one month. As soon as practicable after **10:00 a.m. (New York City time)** on each SOFR Determination Day, the Agent shall determine (which determination shall, absent manifest error, be final, conclusive and binding upon all parties) the interest rate that shall apply to the SOFR Loans for which an interest rate is then being determined for the applicable Interest Period and shall promptly give notice thereof (in writing or by telephone confirmed in writing) to the Company and each Lender. At any time that Base Rate Loans are outstanding, the Agent shall notify the Company and the Lenders of any change in the U.S. Prime Rate used in determining the Base Rate promptly following the public announcement of such change.

(d) The Company agrees to pay to each Issuing Bank, with respect to drawings honored under any Letter of Credit issued thereby, interest on the amount paid by such Issuing Bank in respect of each

such honored drawing from the date such drawing is honored to but excluding the date such amount is reimbursed by or on behalf of the Company at a rate equal to (i) for the period from the date such drawing is honored to but excluding the applicable Reimbursement Date, the rate of interest otherwise payable hereunder with respect to Revolving Loans that are Base Rate Loans, and (ii) thereafter, a rate which is **2.00% per annum** in excess of the rate of interest otherwise payable hereunder with respect to Revolving Loans that are Base Rate Loans.

(e) Interest payable pursuant to **Section 2.10(d)** shall be computed on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed in the period during which it accrues, and shall be payable on demand or, if no demand is made, on the date on which the related drawing under a Letter of Credit is reimbursed in full. Promptly upon receipt by an Issuing Bank of any payment of interest pursuant to **Section 2.10(d)**, such Issuing Bank shall distribute to each Lender, out of the interest received by such Issuing Bank in respect of the period from the date such drawing is honored to but excluding the date on which such Issuing Bank is reimbursed for the amount of such drawing (including any such reimbursement out of the proceeds of any Revolving Loans), the amount that such Lender would have been entitled to receive in respect of the letter of credit fee that would have been payable in respect of such Letter of Credit for such period if no drawing had been honored under such Letter of Credit. In the event an Issuing Bank shall have been reimbursed by Lenders for all or any portion of such honored drawing, such Issuing Bank shall distribute to each Lender which has paid all amounts payable by it under **Section 2.04(e)** with respect to such honored drawing such Lender's Pro Rata Share of any interest received by such Issuing Bank in respect of that portion of such honored drawing so reimbursed by Lenders for the period from the date on which such Issuing Bank was so reimbursed by Lenders to but excluding the date on which such portion of such honored drawing is reimbursed by the Company.

(f) Notwithstanding the foregoing, upon the occurrence of any Event of Default pursuant to **Section 8.01(a), (f) or (g)**, for so long as such Event of Default shall be continuing, all overdue principal and interest payable on each Loan shall, without further notice, bear interest, after as well as before judgment to the extent permitted by law, at a rate *per annum* equal to **2.00% plus the rate otherwise applicable to such Loan as provided in the preceding subsections of this Section**. In addition, if any fee or other amount (other than principal or interest on any Loan) payable by the Company pursuant to any Loan Document is not paid when due, whether upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment to the extent permitted by law, at a rate *per annum* equal to **2.00% plus the rate otherwise applicable to Base Rate Loans as provided in the preceding subsections of this Section**.

(g) Interest on each Loan shall be paid in arrears on each Interest Payment Date for such Loan *provided that* (i) interest accrued pursuant to **Section 2.10(f)** shall be payable on demand of the Agent (upon the instruction of the Required Lenders; *provided that* no such instruction shall be required in the case of an Event of Default pursuant to **Section 8.01(a), (f), or (g)**), (ii) upon any repayment or prepayment of any Loan, interest accrued on the principal amount repaid shall be payable on the date of such repayment and (iii) upon any conversion of a Term SOFR Loan before the end of the current Interest Period therefor, interest accrued on such Loan shall be payable on the effective date of such conversion.

(h) Anything herein to the contrary notwithstanding, the obligations of the Company to any Lender hereunder shall be subject to the limitation that payments of interest shall not be required for any period for which interest is computed hereunder to the extent (but only to the extent) that contracting for or receiving such payment by such Lender would be contrary to the provisions of any law applicable to such Lender limiting the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, and in such event the Company shall pay such Lender interest at the highest rate permitted by applicable law until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all

times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Company shall pay to the Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the highest rate of interest that may be lawfully contracted for, charged or received had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and the Company to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the highest rate of interest that may be lawfully contracted for, charged or received by such Lender, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to the Company.

**Section 2.11 Fees.**

(a) The Company agrees to pay to Lenders having Revolving Exposure:

(i) commitment fees equal to (1) the average of the daily difference between (A) the Revolving Commitments and (B) the aggregate principal amount of (x) all outstanding Revolving Loans (for the avoidance of doubt, excluding Swing Line Loans) *plus* (y) the Letter of Credit Usage, times (2) the Applicable Revolving Commitment Fee Percentage; and

(ii) letter of credit fees equal to (1) the Applicable Margin for Revolving Loans that are SOFR Loans, times (2) the average aggregate daily maximum amount available to be drawn under all such Letters of Credit (regardless of whether any conditions for drawing could then be met and determined as of the close of business on any date of determination).

All fees referred to in this **Section 2.11(a)** shall be paid to the Agent at the Agent's Office and upon receipt, the Agent shall promptly distribute to each Lender its Pro Rata Share thereof.

(b) The Company agrees to pay directly to each Issuing Bank, for its own account, the following fees:

(i) a fronting fee equal to **0.125% per annum**, times the average aggregate daily maximum amount available to be drawn under all Letters of Credit (determined as of the close of business on any date of determination) issued by such Issuing Bank; and

(ii) such documentary and processing charges for any issuance, amendment, transfer or payment of a Letter of Credit as are in accordance with each Issuing Bank's standard schedule for such charges and as in effect at the time of such issuance, amendment, transfer or payment, as the case may be.

(c) All fees referred to in **Section 2.11(a)** and **2.11(b)(i)** shall be calculated pursuant to the second sentence of **Section 2.12(a)** and shall be payable quarterly in arrears on the last Business Day of March, June, September and December of each year during the Revolving Commitment Period, commencing on the first such date to occur after the Closing Date, and on the Revolving Commitment Termination Date.

(d) [Reserved].

(e) In addition to the foregoing, the Company shall pay to the Agent, for its own account, fees payable in the amounts and at the times separately agreed upon by the Company and the Agent. Such fees shall be fully earned when paid and shall not be refundable under any circumstances.

**Section 2.12 Computation of Fees and Interest.**

(a) All computations of interest for Base Rate Loans when the Base Rate is determined by the "U. S. Prime Rate" shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of fees and interest shall be made on the basis of a 360-day year and actual days elapsed (which results in more interest being paid than if computed on the basis of a 365-day year). Interest and fees shall accrue during each period during which interest or such fees are computed from the first day thereof to the last day thereof.

(b) Each determination of an interest rate by the Agent shall be conclusive and binding on the Company and the Lenders in the absence of manifest error. The Agent will, at the request of the Company or any Lender, deliver to the Company or the Lender, as the case may be, a statement showing the quotations used by the Agent in determining any interest rate and the resulting interest rate.

**Section 2.13 Payments Generally.**

(a) All payments to be made by the Company under the Loan Documents shall be made without condition or deduction for any defense, set-off, recoupment or counterclaim. Except as otherwise expressly provided in any Loan Document, all payments to be made by the Company under any Loan Document shall be made to the Agent for the account of the Lenders at the Agent's Office, and shall be made in dollars and in immediately available funds, no later than **3:00 p.m. (New York City time)** on the date specified in such Loan Document. The Agent will promptly distribute to each Lender its Pro Rata Share (or other applicable share as expressly provided herein) of such payment in like funds as received. Any payment received by the Agent later than **3:00 p.m. (New York City time)** shall be deemed to have been received on the following Business Day and any applicable interest or fee shall continue to accrue.

(b) Subject to the provisions set forth in the definition of "Interest Period" herein, whenever any payment is due on a day other than a Business Day, such payment shall be made on the following Business Day, and such extension of time shall in such case be included in the computation of interest or fees, as the case may be.

(c) Unless the Company or any Lender has notified the Agent, prior to the date any payment is required to be made by it to the Agent hereunder, that the Company or such Lender, as the case may be, will not make such payment, the Agent may assume that the Company or such Lender, as the case may be, has timely made such payment and may (but shall not be so required to), in reliance thereon, make available a corresponding amount to the Person entitled thereto. If and to the extent that such payment was not in fact made to the Agent in immediately available funds, then:

(i) if the Company failed to make such payment, each Lender shall forthwith on demand repay to the Agent the portion of such assumed payment that was made available to such Lender in immediately available funds, together with interest thereon in respect of each day from and including the date such amount was made available by the Agent to such Lender to the date such amount is repaid to the Agent in immediately available funds at the Federal Funds Rate from time to time in effect; and

(ii) if any Lender failed to make such payment, such Lender shall forthwith on demand pay to the Agent the amount thereof in immediately available funds, together with interest thereon

for the period from the date such amount was made available by the Agent to the Company to the date such amount is recovered by the Agent (the **Compensation Period**) at the customary rate set by the Agent for the correction of errors among banks for three Business Days and thereafter at the Base Rate. If such Lender pays such amount to the Agent, then such amount shall constitute such Lender's Loan included in the applicable Credit Extension. If such Lender does not pay such amount forthwith upon the Agent's demand therefor, the Agent may make a demand therefor upon the Company, and the Company shall pay such amount to the Agent, together with interest thereon for the Compensation Period at a rate *per annum* equal to the applicable rate for Base Rate Loans to the applicable Credit Extension. Nothing herein shall be deemed to relieve any Lender from its obligation to fulfill its Commitments or to prejudice any rights that the Agent or the Company may have against any Lender as a result of any default by such Lender hereunder.

A notice of the Agent to any Lender or the Company with respect to any amount owing under this **subsection (c)** shall be conclusive, absent manifest error.

(d) If any Lender makes available to the Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this **Article 2**, and such funds are not made available to the Company by the Agent because the conditions to the extension of Loans set forth in **Article 4** are not satisfied or waived in accordance with the terms hereof, the Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(e) The obligations of the Lenders hereunder to make Loans are several and not joint. The failure of any Lender to make any Loan on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan.

(f) Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

(g) Notwithstanding anything to the contrary, to the extent the Agent receives a payment or other amount after the date such payment or other amount is due, the Agent, in its sole discretion, may distribute such payment or other amount to the relevant Lender of record (or other Person of record entitled to such payment) as of the date such payment or other amount is received by the Agent.

#### **Section 2.14 Sharing of Payments by Lenders.**

(a) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment (a) on account of any Obligations due and payable hereunder and under the other Loan Documents at such time resulting in such Lender receiving payment in excess of its ratable share (calculated according to the proportion of (i) the amount of such Obligations due and payable to such Lender at such time to (ii) the aggregate amount of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of the Obligations due and payable to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time or (b) of or on account of any of Obligations owing (but not due and payable) to such Lender hereunder and under the other Loan Documents at such time in excess of its ratable share (calculated according to the proportion of (i) the amount of such Obligations owing (but not due and payable) to such Lender at such time to (ii) the aggregate amount of Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time) of payments on account of Obligations owing (but not due and payable) to all Lenders hereunder and under the other Loan Documents at such time obtained by all the Lenders at such time, then in each case, such Lender shall (x) notify the Agent of such fact, and (y) purchase (for cash at face value) participations in the Obligations of

the other Lenders due and payable or owing, as the case may be, or make such other adjustments as shall be equitable, so that the benefit of such excess payments shall be shared by all such Lenders; *provided* that:

(i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (1) any payment made by the Company pursuant to and in accordance with the express terms of this Agreement or (2) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Company or any Subsidiary thereof (as to which the provisions of this Section shall apply).

(b) The Obligor consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Obligor rights of setoff and counterclaim (subject to [Section 10.09](#)) with respect to such participation as fully as if such Lender were a direct creditor of the Obligor in the amount of such participation.

**Section 2.15 Incremental Facilities.**

(a) The Company may, by written notice to the Agent, each Issuing Bank and the Swing Line Lender, elect to request prior to the Revolving Commitment Termination Date, an increase to a Class of then-existing Revolving Commitments (any such increase, "**New Revolving Commitments**"), by an amount not in excess of **\$100,000,000** in the aggregate and not less than **\$10,000,000** individually (or such lesser amount which shall be approved by the Agent or such lesser amount that shall constitute the difference between **\$100,000,000** and all such New Revolving Commitments obtained prior to such date), and integral multiples of **\$1,000,000** in excess of that amount. Each such notice shall specify (x) the date (each, an "**Increased Amount Date**") on which the Company proposes that the New Revolving Commitments shall be effective, which shall be a date not less than **10 Business Days** after the date on which such notice is delivered to the Agent, (y) the identity of each Lender or other Person that is an Eligible Assignee (each, a "**New Revolving Loan Lender**") to whom the Company proposes any portion of such New Revolving Commitments be allocated and the amounts of such allocations and (z) the Class of Revolving Commitments the Company proposes to increase; *provided* that the Agent may elect or decline to arrange such New Revolving Commitments in its sole discretion and any Lender approached to provide all or a portion of the New Revolving Commitments may elect or decline, in its sole discretion, to provide a New Revolving Commitment. Such New Revolving Commitments shall become effective as of such Increased Amount Date; *provided* that

(i) no Default or Event of Default shall exist on such Increased Amount Date before or after giving effect to such New Revolving Commitments;

(ii) the Company and its Subsidiaries shall be in pro forma compliance with [Sections 7.11, 7.12](#) and [7.14](#) as of the last day of the most recently ended Fiscal Quarter after giving effect to such New Revolving Commitments;

(iii) all New Revolving Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Company, the New Revolving Loan Lender and the Agent, each of which shall be recorded in the Register and each New Revolving Loan Lender shall be subject to the requirements set forth in [Section 3.01\(e\)](#);

- (iv) the Company shall make any payments required pursuant to **Section 3.05(b)** in connection with the New Revolving Commitments;
- (v) the Agent, each Issuing Bank and the Swing Lien Lender shall have consented to any New Revolving Loan Lender (such consent shall not be unreasonably withheld) and
- (vi) the Company shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Agent in connection with any such transaction.

(b) [Reserved].

(c) On any Increased Amount Date on which New Revolving Commitments are effected, subject to the satisfaction of the foregoing terms and conditions,

- (i) each of the Revolving Lenders shall assign to each of the New Revolving Loan Lenders, and each of the New Revolving Loan Lenders shall purchase from each of the Revolving Lenders, at the principal amount thereof (together with accrued interest), such interests in the Revolving Loans outstanding on such Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Revolving Loans will be held by then-existing Revolving Lenders and New Revolving Loan Lenders ratably in accordance with their Revolving Commitments after giving effect to the addition of such New Revolving Commitments to the Revolving Commitments,
- (ii) each New Revolving Commitment shall be deemed for all purposes a Revolving Commitment and each Loan made thereunder (a "New Revolving Loan") shall be deemed, for all purposes, a Revolving Loan and
- (iii) each New Revolving Loan Lender shall become a Lender with respect to the New Revolving Commitment and all matters relating thereto.

For the avoidance of doubt, the terms and provisions of the New Revolving Loans and New Revolving Commitments shall be documented solely as an increase, and shall be identical, to the Class of then-existing Revolving Commitments so increased.

(d) [Reserved].

(e) The Agent shall notify Lenders promptly upon receipt of the Company's notice of each Increased Amount Date and in respect thereof (i) the New Revolving Commitments and the New Revolving Loan Lenders and (ii) the respective interests in such Revolving Lender's Revolving Loans, in each case subject to the assignments contemplated by **Section 2.15(c)**.

#### **Section 2.16 Defaulting Lenders.**

(a) **Defaulting Lender Adjustments.** Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i) **Waivers and Amendments.** Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(ii) **Defaulting Lender Waterfall.** Any payment of principal, interest, fees or other amounts received by the Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to **Article 8** or otherwise) or received by the Agent from a Defaulting Lender pursuant to **Section 10.09** shall be applied at such time or times as may be determined by the Agent as follows:

**first**, to the payment of any amounts owing by such Defaulting Lender to the Agent hereunder;

**second**, to the payment on a pro rata basis of any amounts owing by such Defaulting Lender to any Issuing Bank or Swing Line Lender hereunder;

**third**, to Cash Collateralize the Issuing Banks' Fronting Exposure with respect to such Defaulting Lender in accordance with **Section 2.16(d)**;

**fourth**, as the Company may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Agent;

**fifth**, if so determined by the Agent and the Company, to be held in a deposit account and released pro rata in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the Issuing Banks' future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with **Section 2.16(d)**;

**sixth**, to the payment of any amounts owing to the Lenders, the Issuing Banks or Swing Line Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the Issuing Banks or Swing Line Lenders against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement;

**seventh**, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Company as a result of any judgment of a court of competent jurisdiction obtained by the Company against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and

**eighth**, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction;

**provided** that if (x) such payment is a payment of the principal amount of any Loans or any reimbursement obligations with respect to Letters of Credit in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in **Section 4.02** were satisfied or waived, such payment shall be applied solely to pay the Loans of, and any reimbursement obligations with respect to Letters of Credit owed to, all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or any reimbursement obligations with respect to Letters of Credit owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans are held by the Lenders pro rata in accordance with the applicable Commitments without giving effect to **Section 2.16(a)(iv)**. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash

Collateral pursuant to this Section 2.16(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) **Certain Fees.**

(A) No Defaulting Lender shall be entitled to receive any fee pursuant to Section 2.11(a) for any period during which that Lender is a Defaulting Lender (and the Company shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender); *provided*, that such, Defaulting Lender shall be entitled to receive fees pursuant to Section 2.11(a)(ii) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Pro Rata Share of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 2.16(d).

(B) With respect to any fees not required to be paid to any Defaulting Lender pursuant to clause (A) above, the Company shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in Letters of Credit or Swing Line Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each Issuing Bank and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such Issuing Bank's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv) **Reallocation of Participations to Reduce Fronting Exposure.** All or any part of such Defaulting Lender's participation in Letters of Credit and Swing Line Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Pro Rata Shares (calculated without regard to such Defaulting Lender's Commitment) but only to the extent that such reallocation does not cause the aggregate Revolving Exposure of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Commitment. Subject to Section 10.22, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v) **Cash Collateral, Repayment of Swing Line Loans.** If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Company shall, without prejudice to any right or remedy available to it hereunder or under law, (x) first, prepay Swing Line Loans in an amount equal to the Swing Line Lenders' Fronting Exposure and (y) second, Cash Collateralize the Issuing Banks' Fronting Exposure in accordance with the procedures set forth in Section 2.16(d).

(b) **Defaulting Lender Cure.** If the Company, the Agent and each Swing Line Lender and Issuing Bank agree in writing that a Lender is no longer a Defaulting Lender, the Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Agent may determine to be necessary to cause the Loans and funded and unfunded participations in Letters of Credit and Swing Line Loans to be held pro rata by the Lenders in accordance with the applicable Commitments (without giving effect to Section 2.16(d)), whereupon such Lender will cease to be a Defaulting Lender; provided that no adjustments will be made retroactively with respect to

fees accrued or payments made by or on behalf of the Company while that Lender was a Defaulting Lender; and provided, further, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) **New Swing Line Loans/Letters of Credit.** So long as any Lender is a Defaulting Lender, (i) the Swing Line Lender shall not be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure with respect to any Defaulting Lender after giving effect to such Swing Line Loan and (ii) no Issuing Bank shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure with respect to any Defaulting Lender after giving effect thereto.

(d) **Cash Collateral.** At any time that there shall exist a Defaulting Lender, within **three Business Days** following the written request of the Agent or any Issuing Bank (with a copy to the Agent) the Company shall Cash Collateralize the Issuing Banks' Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 2.16(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(i) **Grant of Security Interest.** The Company, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Agent, for the benefit of the Issuing Banks, and agrees to maintain, a first priority security interest in all such Cash Collateral as security for the Defaulting Lenders' obligation to fund participations in respect of Letters of Credit, to be applied pursuant to clause (ii) below. If at any time the Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Agent and the Issuing Banks as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Company will, promptly upon demand by the Agent, pay or provide to the Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(ii) **Application.** Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 2.16 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of Letters of Credit (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(iii) **Termination of Requirement.** Cash Collateral (or the appropriate portion thereof) provided to reduce each Issuing Bank's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 2.16 following (A) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender) or (B) the determination by the Agent and each Issuing Bank that there exists excess Cash Collateral; *provided* that, subject to the other provisions of this Section 2.16, the Person providing Cash Collateral and each Issuing Bank may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations; *provided, further*, that to the extent that such Cash Collateral was provided by the Company, such Cash Collateral shall remain subject to the security interest granted pursuant to the Loan Documents.

#### **Section 2.17 Maturity Extensions of Loans.**

(a) The Company may from time to time, pursuant to the provisions of this Section 2.17, agree with one or more Lenders holding Loans and Commitments of any Class (each an "Existing Class") to

extend the maturity date of such Class of Loans and to provide for other terms consistent with this **Section 2.17** (each such modification, an 'Extension') pursuant to one or more written offers (each an "Extension Offer") made from time to time by the Company to all Lenders under any Class that is proposed to be extended under this **Section 2.17**, in each case on a pro rata basis (based on the relative principal amounts of the outstanding Loans of each Lender in such Class) and on the same terms to each such Lender. In connection with each Extension, the Company will provide notification to the Agent (for distribution to the Lenders of the applicable Class), no later than 30 days prior to the maturity of the applicable Class or Classes to be extended of the requested new maturity date for the extended Loans of each such Class (each an "Extended Maturity Date") and the due date for Lender responses. In connection with any Extension, each Lender of the applicable Class wishing to participate in such Extension shall, prior to such due date, provide the Agent with a written notice thereof in a form reasonably satisfactory to the Agent. Any Lender that does not respond to an Extension Offer by the applicable due date shall be deemed to have rejected such Extension. In connection with any Extension, the Company shall agree to such procedures, if any, as may be reasonably established by, or acceptable to, the Agent to accomplish the purposes of this **Section 2.17**.

(b) After giving effect to any Extension, the Revolving Commitments so extended shall cease to be a part of the Class of which they were a part immediately prior to the Extension and shall be a new Class hereunder; *provided* that at no time shall there be more than four (4) different Classes of Revolving Commitments *provided, further*, that, in the case of any Extension Amendment,

(i) all Credit Extensions and all prepayments of Revolving Loans shall continue to be made on a ratable basis among all Revolving Lenders, based on the relative amounts of their Revolving Commitments, until the repayment of the Revolving Loans attributable to the non-extended Revolving Commitments on the applicable Revolving Commitment Termination Date,

(ii) the allocation of the participation exposure with respect to any then-existing or subsequently issued or made Letter of Credit or Swing Line Loan as between the Revolving Commitments of such new "Class" and the remaining Revolving Commitments shall be made on a ratable basis in accordance with the relative amounts thereof until the applicable Revolving Commitment Termination Date has occurred,

(iii) no termination of Extended Revolving Commitments and no repayment of Extended Revolving Loans accompanied by a corresponding permanent reduction in Extended Revolving Commitments shall be permitted unless such termination or repayment (and corresponding reduction) is accompanied by at least a pro rata termination or permanent repayment (and corresponding pro rata permanent reduction), as applicable, of the Existing Revolving Loans and Existing Revolving Commitments (or all Existing Revolving Commitments of such Class and related Existing Revolving Loans shall have otherwise been terminated and repaid in full) and

(iv) with respect to Letters of Credit and Swing Line Loans, the maturity date with respect to the Revolving Commitments may not be extended without the prior written consent of each Issuing Bank and the Swing Line Lender.

If the Total Utilization of Revolving Commitments exceeds the Revolving Commitment as a result of the occurrence of the Revolving Commitment Termination Date (or the applicable Extended Maturity Date with respect to any Class of New Revolving Loans or Class of Revolving Commitments extended pursuant to this **Section 2.17**) while an extended Class of Revolving Commitments remains outstanding, the Company shall make such payments as are necessary in order to eliminate such excess on such date.

(c) The consummation and effectiveness of each Extension shall be subject to the following:

(i) no Default or Event of Default shall have occurred and be continuing at the time any Extension Offer is delivered to the Lenders or at the time of such Extension (after giving effect to such Extension);

(ii) the Revolving Loans or Revolving Commitments, as applicable, of any Lender extended pursuant to any Extension (as applicable, **Extended Revolving Loans** or **Extended Revolving Commitments**) shall have the same terms as the Class of Revolving Loans or Revolving Commitments, as applicable, subject to the related Extension Amendment (as applicable, **Existing Revolving Loans** or **Existing Revolving Commitments**); except

(A) the final maturity date of any Extended Revolving Commitments of a Class to be extended pursuant to an Extension shall be later than the Latest Maturity Date at the time of such Extension;

(B) the all-in pricing (including, without limitation, margins, fees and premiums) with respect to the Extended Revolving Loans or Extended Revolving Commitments, as applicable, may be higher or lower than the all-in pricing (including, without limitation, margins, fees and premiums) for the Existing Revolving Loans or Existing Revolving Commitments, as applicable;

(C) the revolving credit commitment fee rate with respect to the Extended Revolving Commitments may be higher or lower than the revolving credit commitment fee rate for Existing Revolving Commitments, in each case, to the extent provided in the applicable Extension Amendment;

(D) no repayment of any Extended Revolving Loans or Extended Revolving Commitments, as applicable, shall be permitted unless such repayment is accompanied by an at least pro rata repayment of all earlier maturing Loans (including previously extended Loans) (or all earlier maturing Loans (including previously extended Loans) shall otherwise be or have been terminated and repaid in full);

(E) the Extended Revolving Loans and/or Extended Revolving Commitments may contain a "most favored nation" provision for the benefit of Lenders holding Extended Revolving Loans and/or Extended Revolving Commitments, as applicable; and

(F) the other terms and conditions applicable to Extended Revolving Loans and/or Extended Revolving Commitments may be terms different than those with respect to the Existing Revolving Loans or Existing Revolving Commitments, as applicable, so long as such terms and conditions only apply after the Latest Maturity Date

*; provided, further, that each Extension Amendment may, without the consent of any Lender other than the applicable extending Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Agent and the Company, to give effect to the provisions of this **Section 2.17**, including any amendments necessary to treat the applicable Loans and/or Commitments of the extending Lenders as a new "Class" of loans and/or commitments hereunder; provided, however, that no Extension Amendment may provide for any Class of Extended Revolving Commitments to be secured by any collateral or other assets of any Subsidiary or guaranteed by any guarantor that does not also guarantee the Existing Revolving Commitments;*

(iii) all documentation in respect of such Extension shall be consistent with the foregoing, and all written communications by the Company generally directed to the applicable Lenders under the applicable Class in connection therewith shall be in form and substance consistent with the foregoing and otherwise reasonably satisfactory to the Agent;

(iv) a minimum amount in respect of such Extension (to be determined in the Company's discretion and specified in the relevant Extension Offer, but in no event less than \$25,000,000, unless another amount is agreed to by the Agent in its reasonable discretion) shall be satisfied (the "Minimum Extension Condition"); and

(v) no Extension shall become effective unless, on the proposed effective date of such Extension, the conditions set forth in **Section 4.02** shall be satisfied (with all references in such Section to the making of a Loan being deemed to be references to the Extension on the applicable date of such Extension), and the Agent shall have received a certificate to that effect dated the applicable date of such Extension and executed by a Responsible Officer of the Company.

(d) For the avoidance of doubt, it is understood and agreed that the provisions of **Section 2.14** and **Section 10.01** will not apply to any payment of interest or fees in respect of any Extended Revolving Commitments that have been extended pursuant to an Extension at a rate or rates different from those paid or payable in respect of Loans of any other Class, in each case as is set forth in the relevant Extension Offer made pursuant to and in accordance with the provisions of this **Section 2.17** with respect to such Extensions of Revolving Commitments.

(e) No Lender who rejects any request for an Extension shall be deemed a Non-Consenting Lender for purposes of **Section 10.14**.

(f) The Lenders hereby irrevocably authorize the Agent to enter into amendments (collectively, **Extension Amendments**) to this Agreement and the other Loan Documents as may be necessary in order to establish new Classes of Revolving Commitments created pursuant to an Extension, in each case on terms consistent with this **Section 2.17**. Notwithstanding the foregoing, the Agent shall have the right (but not the obligation) to seek the advice or concurrence of the Required Lenders with respect to any matter contemplated by this **Section 2.17** and, if the Agent seeks such advice or concurrence, the Agent shall be permitted to enter into such amendments with the Company in accordance with any instructions received from such Required Lenders and shall also be entitled to refrain from entering into such amendments with the Company unless and until it shall have received such advice or concurrence; *provided, however*, that, whether or not there has been a request by the Agent for any such advice or concurrence, all such Extension Amendments entered into with the Company by the Agent hereunder shall be binding on the Lenders. Without limiting the foregoing, in connection with any Extension, (i) the Company and the appropriate Subsidiaries shall (at their expense) amend (and the Agent is hereby directed to amend) any Loan Document that the Agent reasonably requests to be amended to reflect the then latest Extended Maturity Date (or such later date as may be advised by counsel to the Agent) and (ii) the Company and the appropriate Subsidiaries shall deliver board resolutions, secretary's certificates, officer's certificates and other documents as shall reasonably be requested by the Agent in connection therewith and, if requested by the Agent, a legal opinion of counsel in form and substance reasonably acceptable to the Agent.

(g) Promptly following the consummation and effectiveness of any Extension, the Company will furnish to the Agent (who shall promptly furnish to each Lender) written notice setting forth the Extended Maturity Date and material economic terms of the Extension and the aggregate principal amount of each Class of Loans and Commitments after giving effect to the Extension and attaching a copy of the fully executed Extension Amendment.

**Section 2.18 Benchmark Replacement Setting.**

(a) **Benchmark Replacement.** Notwithstanding anything to the contrary herein or in any other Loan Document (and any Swap Contract shall be deemed not to be a "Loan Document" for purposes of this Section), upon the occurrence of a Benchmark Transition Event, the Agent and the Company may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Agent has posted such proposed amendment to all Lenders and the Company so long as the Agent has not received, by such time, written notice of objection to such amendment from Lenders comprising the Required Lenders. No replacement of the then-current Benchmark with a Benchmark Replacement pursuant to this [Section 2.18\(a\)](#) will occur prior to the applicable Benchmark Transition Start Date. Unless and until a Benchmark Replacement is effective in accordance with this clause (i), all Loans shall be converted into Base Rate Loans in accordance with the provisions of Section (h) above.

(b) **Benchmark Replacement Conforming Changes.** In connection with the administration, adoption and implementation of a Benchmark Replacement, the Agent, in consultation with the Company, will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) **Notices; Standards for Decisions and Determinations.** The Agent will promptly notify the Company and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Benchmark Replacement Conforming Changes. The Agent will notify the Company and the Lenders of the removal or reinstatement of any tenor of a Benchmark. Any determination, decision or election that may be made by the Agent pursuant to this Section including, without limitation, any determination with respect to a tenor, rate or adjustment, or implementation of any Benchmark Replacement Conforming Changes (in consultation with the Company), the timing of implementation of any Benchmark Replacement or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding on all parties hereto absent manifest error and may be made in its sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.18.

(d) **Unavailability of Tenor of Benchmark.** Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if any then-current Benchmark is a term rate (including the Term SOFR Reference Rate) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent in its reasonable discretion or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for such Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(e) **Benchmark Unavailability Period.** Upon the Company's receipt of notice of the commencement of a Benchmark Unavailability Period, the Company may revoke any request for the applicable SOFR Borrowing of, conversion to or continuation of SOFR Loans to be made, converted or continued during any Benchmark Unavailability Period and, failing that, the Company will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Base Rate based upon Adjusted Term SOFR (or then-current Benchmark) will not be used in any determination of Base Rate.

### **ARTICLE 3. TAXES, YIELD PROTECTION AND ILLEGALITY**

#### **Section 3.01 Taxes.**

(a) **Payments Free of Indemnified Taxes and Other Taxes.** Except as required by applicable law, any and all payments by or on account of any obligation of the Obligor hereunder or under any other Loan Document shall be made free and clear of and without deduction or withholding for any Taxes, *provided* that if any applicable withholding agent shall be required by applicable law to deduct or withhold any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable by the Obligor shall be increased as necessary so that after all required deductions or withholdings have been made (including deductions applicable to additional sums payable under this Section) the Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or withholdings been made, (ii) the applicable withholding agent shall make such deductions or withholdings and (iii) the applicable withholding agent shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law. Notwithstanding the foregoing, if any applicable law (as determined in the good faith discretion of the applicable withholding agent) requires the deduction or withholding of any Tax from any payment made by or on account of the Obligor hereunder or under any other Loan Document, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.

(b) **Payment of Other Taxes by the Company.** Without limiting the provisions of **subsection (a)** above, the Company shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) **Indemnification by the Company.** Without duplication of **Section 3.01(a)**, the Company shall indemnify the Agent and each Lender, within 10 Business Days after written demand therefor, for the full amount of any Indemnified Taxes in respect of payments under any Loan Document or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable under this Section) that are imposed on or payable by the Agent or such Lender, as the case may be, and reasonable expenses arising therefrom, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth the amount of such payment or liability delivered to the Company by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. If the Company reasonably believes that there is an appropriate basis to pursue a refund of any Indemnified Tax or Other Tax indemnified by the Company under this Section 3.01(c), or for which the Obligor has paid additional amounts under Section 3.01(a), the affected Agent or Lender (as applicable) shall, upon the Company's written request and at the Company's expense, pursue such refund; provided that no Agent or Lender shall be obligated to pursue any such refund if such Agent or Lender determines in good faith that it would be materially disadvantaged or prejudiced, or subject to any unreimbursed cost or expense, by pursuing such refund. Any refund described in the preceding sentence that is received by the Agent or any Lender shall be payable to the Company to the extent provided in Section 3.01(f).

(d) ***Evidence of Payments.*** As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Obligor to a Governmental Authority pursuant to this **Section 3.01**, the Company shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to the Agent.

(e) ***Status of Lenders.*** Each Lender shall deliver to the Company and to the Agent, whenever reasonably requested by the Company or the Agent, such properly completed and executed documentation prescribed by applicable laws and such other reasonably requested information as will permit the Company or the Agent, as the case may be, (A) to determine whether or not payments made hereunder or under any other Loan Document are subject to Taxes (including backup withholding and information reporting), (B) to determine, if applicable, the required rate of withholding or deduction and (C) to establish such Lender's entitlement to any available exemption from, or reduction of, applicable Taxes in respect of any payments to be made to such Lender pursuant to any Loan Document or otherwise to establish such Lender's status for withholding tax purposes in an applicable jurisdiction. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (e)(A), (e)(B)(i-iv), and (e)(C) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

If any form, certification or other documentation provided by a Lender pursuant to this **Section 3.01(e)** (including any of the specific documentation described below) expires or becomes obsolete or inaccurate in any respect, such Lender shall promptly notify the Company and the Agent in writing and shall promptly update or otherwise correct the affected documentation or promptly notify the Company and the Agent in writing that such Lender is not legally eligible to do so.

Without limiting the generality of the foregoing,

(A) any Lender that is a "United States person" within the meaning of Section 7701(a)(30) of the Code shall deliver to the Company and the Agent duly completed and executed copies of IRS Form W-9 or such other documentation or information prescribed by applicable laws or reasonably requested by the Company or the Agent (in such number of signed copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon request of the Company or the Agent) as will enable the Company or the Agent, as the case may be, to determine whether or not such Lender is subject to U.S. federal backup withholding or information reporting requirements; and

(B) each Foreign Lender that is entitled under the Code or any applicable treaty to an exemption from or reduction of U.S. federal withholding tax with respect to any payments hereunder or under any other Loan Document shall deliver to the Company and the Agent (in such number of signed copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Company or the Agent), duly completed and executed copies of whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party: (x) with respect to payments of interest under any Loan Document, an IRS Form W-8BEN or W-8BEN-E (or any successor thereto) claiming eligibility for benefits pursuant to the "interest" article of such tax treaty, and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty,

(ii) IRS Form W-8ECI (or any successor thereto) claiming that specified payments (as applicable) under this Agreement or any other Loan Documents (as applicable) constitute income that is effectively connected with such Foreign Lender's conduct of a trade or business in the United States;

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Sections 881(c) or 871(h) of the Code (the "**Portfolio Interest Exemption**"), (x) a certificate, substantially in the form of [Exhibit G-1, G-2, G-3 or G-4](#), as applicable (a "**Tax Status Certificate**"), to the effect that such Foreign Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of the Company, within the meaning of Section 881(c)(3)(B) of the Code or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code and (y) IRS Form W-8BEN or W-8BEN-E (or any successor thereto),

(iv) where such Lender is a partnership (for U.S. federal income tax purposes) or otherwise not a beneficial owner (e.g., where such Lender has sold a participation), IRS Form W-8IMY (or any successor thereto) and all required supporting documentation (including, where one or more of the underlying beneficial owner(s) is claiming the benefits of the Portfolio Interest Exemption, a Tax Status Certificate of such beneficial owner(s); *provided* that, if the Foreign Lender is a partnership and not a participating Lender, the Tax Status Certificate from the beneficial owner(s) may be provided by the Foreign Lender on behalf of the beneficial owner(s)), or

(v) any other form prescribed by applicable laws as a basis for claiming exemption from or a reduction in U.S. federal withholding tax together with such supplementary documentation as may be prescribed by applicable laws to permit the Company or the Agent to determine the withholding or deduction required to be made; and

(C) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Agent as may be necessary for the Company and the Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this **clause (C)**, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

(f) **Treatment of Certain Refunds.** If the Agent or any Lender determines, in its good faith discretion, that it has received a refund (whether received in cash or as a credit in lieu of a refund) of any Taxes as to which it has been indemnified by the Obligor or with respect to which the Obligor (including by the payment of additional amounts pursuant to this Section) has paid additional amounts pursuant to this Section, it shall promptly pay to the Company an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Obligor under this [Section 3.01](#) with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Agent or such Lender (including any Taxes), as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); *provided* that the Company, upon the request of the Agent or such Lender, agrees to repay the amount paid over to the Company (plus any penalties, interest or other charges imposed by the relevant Governmental Authority (other than any

penalties arising from the gross negligence or willful misconduct of the Agent or the Lender) to the Agent or such Lender in the event the Agent or such Lender is required to repay such refund to such Governmental Authority. Such Lender or Agent, as the case may be, shall, at the Company's reasonable request, provide the Company with a copy of any notice of assessment or other evidence reasonably satisfactory to the Company of the requirement to repay such refund received from the relevant taxing authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This subsection shall not be construed to require the Agent or any Lender to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Company or any other Person.

(g) **Indemnification by Lenders.** Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes or Other Taxes attributable to such Lender (but only to the extent that the Company has not already indemnified the Agent for such Indemnified Taxes or Other Taxes and without limiting the obligation of the Company to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 10.07(e) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this paragraph (g).

(h) **Survival.** Each party's obligations under this Section shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) **Issuing Bank.** For purposes of this Section, the term "Lender" includes any Issuing Bank.

### **Section 3.02 Illegality.**

(a) If any Lender reasonably and in good faith determines that the introduction of any Requirement of Law, or any change in any Requirement of Law, or in the interpretation or administration of any Requirement of Law, after the Closing Date, has made it unlawful, or that any central bank or other Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make SOFR Loans, then, on notice thereof by the Lender to the Company through the Agent, any obligation of that Lender to make SOFR Loans shall be suspended until the Lender notifies the Agent and the Company that the circumstances giving rise to such determination no longer exist.

(b) If a Lender reasonably and in good faith determines that it is unlawful for such Lender to maintain any SOFR Loan after the Closing Date, the Company shall, upon its receipt of written notice of such fact and demand from such Lender (with a copy to the Agent), prepay in full such SOFR Loans of that Lender then outstanding, together with interest accrued thereon and amounts required under **Section 3.04**, either on the last day of the Interest Period thereof, if the Lender may lawfully continue to maintain such SOFR Loans to such day, or immediately, if the Lender may not lawfully continue to maintain such SOFR Loan. If the Company is required to so prepay any SOFR Loan, then concurrently with such

prepayment, the Company shall borrow from the affected Lender, in the amount of such prepayment, a Base Rate Loan.

(c) If the obligation of any Lender to make or maintain SOFR Loans has been so terminated or suspended, the Company may elect, by giving notice to the Lender through the Agent, that all Loans which would otherwise be made or maintained by the Lender as SOFR Loans shall instead be Base Rate Loans.

(d) Before giving any notice to the Agent under this **Section 3.02**, the affected Lender shall designate a different Lending Office with respect to its SOFR Loans if such designation will avoid the need for giving such notice or making such demand and will not, in the judgment of the Lender, be illegal or otherwise disadvantageous to the Lender.

#### **Section 3.03 Increased Costs and Reduction of Return.**

(a) If any Lender reasonably and in good faith determines that, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance by that Lender with any guideline or request from any central bank or other Governmental Authority (whether or not having the force of law) after the Closing Date, there shall be any increase in the cost including Taxes (other than (i) Excluded Taxes and (ii) Indemnified Taxes and Other Taxes) to such Lender of agreeing to make or making, funding or maintaining any SOFR Loans, then the Company shall be liable for, and shall from time to time, promptly upon written demand (with a copy of such demand to be sent to the Agent), pay to the Agent for the account of such Lender, additional amounts as are sufficient to compensate such Lender for such increased costs; *provided* that such Lender shall only be entitled to seek such additional amounts if such Lender is generally seeking the payment of similar additional amounts from similarly situated borrowers in comparable credit facilities. Notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules, regulations, orders, requests, guidelines or directives in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or United States or foreign regulatory authorities, in each case pursuant to Basel III, are deemed to have been adopted and to have taken effect after the date hereof.

(b) If any Lender reasonably and in good faith shall have determined that (i) the introduction of any Capital Adequacy Regulation, (ii) any change in any Capital Adequacy Regulation, (iii) any change in the interpretation or administration of any Capital Adequacy Regulation by any central bank or other Governmental Authority charged with the interpretation or administration thereof, or (iv) compliance by the Lender (or its Lending Office) or any corporation controlling the Lender with any Capital Adequacy Regulation, in each case after the Closing Date, affects or would affect the amount of capital required or expected to be maintained by the Lender or any corporation controlling the Lender and (taking into consideration such Lender's or such corporation's policies with respect to capital adequacy and such Lender's desired return on capital) determines that the amount of such capital is increased as a consequence of its Commitment, loans, credits or obligations under this Agreement, then, thirty (30) days after written demand by such Lender to the Company through the Agent, the Company shall pay to the Lender, from time to time as specified by the Lender, additional amounts sufficient to compensate the Lender for such increase; *provided* that such Lender shall only be entitled to seek such additional amounts if such Lender is generally seeking the payment of similar additional amounts from similarly situated borrowers in comparable credit facilities; *provided, further*, that the Company shall not be required to compensate a Lender for any such increases in capital for any period more than 120 days prior to the date such Lender delivers such demand.

**Section 3.04 Funding Losses.** The Company shall reimburse each Lender and hold each Lender harmless from any loss (other than loss of profits or the Applicable Margin) or expense which the Lender may sustain or incur as a consequence of:

- (a) the failure of the Company to make on a timely basis any payment of principal of any SOFR Loan;
- (b) the failure of the Company to continue a Loan after the Company has given (or is deemed to have given) a Notice of Continuation;
- (c) the failure of the Company to make any prepayment of any Loan in accordance with any notice delivered under [Section 2.09](#); or
- (d) the prepayment (including pursuant to [Section 2.09](#)) or other payment (including after acceleration thereof) of a SOFR Loan on a day that is not the last day of the relevant Interest Period;

including any such loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain its SOFR Loans or from fees payable to terminate the deposits from which such funds were obtained, but excluding any administrative fee or other amount chargeable by such Lender for the calculation of such loss.

**Section 3.05 Inability to Determine Rates; Breakage Costs.**

(a) If (A) the Agent determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for determining Adjusted Daily Simple SOFR or Adjusted Term SOFR or (B) the Required Lenders determine that in connection with any request for a SOFR Loan or a conversion thereto or a continuation thereof that Adjusted Daily Simple SOFR or Adjusted Term SOFR for any requested Interest Period with respect to a proposed SOFR Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, and the Required Lenders have provided notice of such determination to the Agent, in each case of (A) and (B), on or prior to the first day of any Interest Period, the Agent will promptly so notify the Company and each Lender. Upon notice thereof by the Agent to the Company, (i) any obligation of the Lenders to make or continue the applicable SOFR Loans or to convert Base Rate Loans to SOFR Loans shall be suspended (to the extent of the affected Interest Periods) until the Agent revokes such notice and (ii) if such determination affects the calculation of the Base Rate, the Agent shall during the period of such suspension compute the Base Rate without reference to clause (iii) of the definition of "Base Rate" until the Agent revokes such notice. Upon receipt of such notice, (i) the Company may revoke any pending request for a borrowing of, conversion to or continuation of any applicable SOFR Loans (to the extent of the affected SOFR Loans or affected Interest Periods) or, failing that, the Company will be deemed to have converted any such request (1) into a request for a borrowing of or conversion to Daily Simple SOFR Loans in the amount specified therein so long as Adjusted Daily Simple SOFR is not also the subject of clauses (A) or (B) above and (2) into a request for a borrowing of or conversion to Base Rate Loans in the amount specified therein if Adjusted Daily Simple SOFR is also the subject of clauses (A) or (B) above and (ii) any outstanding affected SOFR Loans will be deemed to have been converted into Base Rate Loans at the end of the applicable Interest Period. Upon any such conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to [Section 3.05\(b\)](#). If the Agent determines (which determination shall be conclusive and binding absent manifest error) that "Adjusted Term SOFR" cannot be determined pursuant to the definition thereof on any given day, the interest rate on Base Rate Loans shall be determined by the Agent without reference to clause (iii) of the definition of "Base Rate" until the Agent revokes such determination.

(b) The Company shall compensate each Lender, upon written request by such Lender (which request shall set forth the basis for requesting such amounts), for all reasonable losses, expenses and liabilities (including any interest paid or payable by such Lender to Lenders of funds borrowed by it to make or carry its SOFR Loans and any loss, expense or liability sustained by such Lender in connection with the liquidation or re-employment of such funds but excluding loss of anticipated profits) which such Lender may sustain: (i) if for any reason (other than a default by such Lender) a Credit Extension of any SOFR Loan does not occur on a date specified therefor in a Loan Notice, or a conversion to or continuation of any SOFR Loan does not occur on a date specified therefor in a Conversion/Continuation Notice; (ii) if any prepayment or other principal payment of, or any conversion of, any of its SOFR Loans occurs on a date prior to the last day of an Interest Period applicable to that Loan; or (iii) if any prepayment of any of its SOFR Loans is not made on any date specified in a notice of prepayment given by the Company.

**Section 3.06 Certificates of Lenders.** Any Lender claiming reimbursement or compensation under this Article shall deliver to the Company (with a copy to the Agent) a certificate setting forth in reasonable detail the amount payable to the Lender hereunder and such certificate shall be conclusive and binding on the Company in the absence of demonstrable error. Such certificate shall set forth in reasonable detail (in a form reasonably determined by the applicable Lender) the methodology used in determining the amount payable to the Lender.

**Section 3.07 Substitution of Lenders.** If the Company receives notice from any Lender of a claim for compensation under **Section 3.01, 3.02 or 3.03**, the Company may, upon notice to such Lender and the Agent, replace such Lender by causing such Lender to assign its Loans (with the assignment fee to be paid by the Company in such instance) pursuant to **Section 10.07(b)** to one or more other Lenders or Eligible Assignees procured by the Company; *provided* that (x) the Company shall be obligated to replace all Lenders that have made similar requests for compensation and (y) each such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it under the Loan Documents from the applicable assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts). The Company shall release such Lender from its obligations under the Loan Documents. Any Lender being replaced shall execute and deliver an Assignment and Assumption with respect to such Lender's outstanding Loans.

**Section 3.08 Survival.** The agreements and obligations of the Company in **Section 3.01, Section 3.03, Section 3.04** and **Section 3.06** shall survive the termination of this Agreement and the payment of all other Obligations.

#### ARTICLE 4. CONDITIONS PRECEDENT

**Section 4.01 Conditions of Initial Credit Extension.** The obligation of each Lender to make any Credit Extension on the Closing Date is subject to satisfaction of the following conditions precedent at or substantially simultaneously with the making of such Credit Extension:

(a) The Agent shall have received each of the following, each of which shall be originals or facsimiles or Adobe PDFs delivered by electronic mail (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the Company, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance reasonably satisfactory to the Agent and each of the Lenders:

- (i) executed counterparts of this Agreement in sufficient number as the Agent shall request on behalf of the Lenders; and

(ii) a Note executed by the Company in favor of each Lender that has requested a Note at least**three (3) Business Days** prior to the Closing Date.

(b) The Agent shall have received:

(i) copies of the resolutions of the board of directors, authorized subcommittee thereof, or other equivalent body of the Company authorizing the Closing Date Transactions to which the Company is a party, certified as of the Closing Date by the Secretary or an Assistant Secretary of the Company; and

(ii) a certificate of the Secretary or Assistant Secretary of the Company certifying the names and true signatures of the officers of the Company authorized to execute, deliver and perform, as applicable, this Agreement and all other Loan Documents to be delivered by the Company hereunder.

(c) The Agent shall have received:

(i) the articles or certificate of incorporation of the Company as in effect on the Closing Date, certified by the Secretary of State of its state of incorporation or organization as of a recent date;

(ii) the bylaws the Company as in effect on the Closing Date, certified by the Secretary or Assistant Secretary of the Company as of the Closing Date;

(iii) a certificate of good standing for the Company from the Secretary of State (or similar, applicable Governmental Authority) of its state of incorporation or organization as of a recent date; and

(iv) a compliance certificate for each Insurance Subsidiary from the Department of Insurance of its jurisdiction of domicile as of a recent date.

(d) The Agent shall have received a written opinion, reasonably acceptable to the Agent in form and substance, from Simpson Thacher & Bartlett LLP, counsel for the Company.

(e) The Agent shall have been paid all accrued and unpaid fees, and reasonable costs and expenses to the extent then due and payable to the Agent on or before the Closing Date, including accrued and projected Attorney Costs of the Agent to the extent invoiced **two (2) Business Days** prior to the Closing Date.

(f) The Agent shall be satisfied (and may, but shall not be obligated to, rely on the receipt of a certificate from any Company or any Affiliate thereof for all or part of such purpose) that the Senior Notes shall have been issued in accordance with the Senior Notes Indenture, and the Company shall have received the net proceeds thereof.

(g) The Agent shall be reasonably satisfied that (i) the Company and its Subsidiaries shall have terminated any commitments to lend or make other extensions of credit under the Existing Credit Agreement and (ii) all Liens securing Indebtedness pursuant to the Existing Credit Agreement and the Existing Senior Secured Notes on the Closing Date shall have been released.

(h) The Agent shall have received (i) a certificate signed by a Responsible Officer on behalf of the Company, dated as of the Closing Date, confirming that the Company and its Subsidiaries have

received all required approvals of the transactions contemplated hereby and by the other Loan Documents, including the Closing Date Transactions, from each applicable Governmental Authority and (ii) a solvency certificate executed by the Chief Financial Officer of the Company, substantially in the form of Exhibit I.

(i) All governmental authorizations and third party approvals (or arrangements reasonably satisfactory to the Lenders in lieu of such approvals) necessary in connection with the financing contemplated hereby and the continuing operations of the Company and its Subsidiaries shall have been obtained and be in full force and effect, in each case except for such authorizations and approvals as would not be reasonably likely to have a Material Adverse Effect.

(j) The Agent shall have received such other approvals, documents or materials as the Agent may reasonably request, all in form and substance reasonably satisfactory to the Agent.

(k) The Company and each of its Subsidiary shall have provided the documentation and other information to the Agent that are required by regulatory authorities under applicable "know-your-customer" rules and regulations, including the Patriot Act, to the extent the Company shall have received written requests therefor at least **seven (7) days** prior to the Closing Date.

(l) The Company shall have a public corporate family rating of at least Ba2 with a stable or positive outlook and an unsecured debt rating of at least Ba2 from Moody's and a public corporate credit rating of at least BB+ with a stable or positive outlook and an unsecured debt rating of at least BB+ from S&P.

#### **Section 4.02 Conditions to All Credit Extensions.**

The obligation of each Lender to make any Loans or any Issuing Bank to issue any Letter of Credit, on any Borrowing Date (including on the Closing Date) is subject to satisfaction of the following conditions precedent:

(a) The representations and warranties of the Company contained in Article 5 or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, (x) which are not qualified as to materiality shall be true and correct in all material respects and (y) which are qualified as to materiality shall be true and correct, in each case, on and as of the date of such Loan Notice and after giving effect to such borrowing, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects, or true and correct, as the case may be, as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties contained in Sections 5.11(a) and (b) shall be deemed to refer to the most recent statements furnished prior to the Closing Date or pursuant to Sections 6.01(a) and (b), respectively.

(b) No Default or Event of Default shall have occurred and be continuing on such date or immediately after giving effect to the proposed Credit Extension.

(c) [Reserved].

(d) The Agent shall have received a Loan Notice in accordance with the requirements hereof.

(e) After making the Credit Extension requested on such Borrowing Date, the Total Utilization of Revolving Commitments shall not exceed the Revolving Commitments then in effect;

(f) On or before the date of issuance of any Letter of Credit, the Agent shall have received all other information required by the applicable Issuance Notice, and such other documents or information as any Issuing Bank may reasonably require in connection with the issuance of such Letter of Credit

Each Loan Notice (other than a notice of conversion requesting only a conversion of Loans to the other Interest Type, or a continuation of Term SOFR Loans) submitted by the Company shall be deemed to be a representation and warranty that the conditions specified in Sections 4.02(a) and (b) have been satisfied (or waived) on and as of the date of the applicable Credit Extension.

#### **Section 4.03 Determinations Under Section 4.01.**

For purposes of determining compliance with the conditions specified in Section 4.01, each of the Lenders shall be deemed to have consented to, approved or accepted or to be satisfied with each document or other matter required thereunder to be consented to or approved by, or acceptable or satisfactory to, the Lenders unless an officer of the Agent responsible for the Closing Date Transactions shall have received notice from such Lender prior to the Closing Date specifying its objection thereto and, in the case of any Lender, such Lender shall not have made available to the Agent on the Closing Date such Lender's Pro Rata Share of the borrowing to be made on such date.

### **ARTICLE 5. REPRESENTATIONS AND WARRANTIES**

The Company represents and warrants to the Agent and each Lender that:

#### **Section 5.01 Corporate Existence and Power.** The Company and each of its Subsidiaries:

- (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization;
- (b) has the corporate (or other organizational) power and authority and all governmental licenses, authorizations, consents and approvals to own its assets and carry on its business;
- (c) is duly qualified and is licensed and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification or license; and
- (d) is in compliance with all Requirements of Law;

except, in each case referred to in clauses (a) (other than with respect to the Company), (b), (c) and (d), to the extent that the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**Section 5.02 Corporate Authorization; No Contravention.** The Transactions to be entered into by the Obligor are within its corporate or other organizational powers. The Transactions (including the execution, delivery and performance by the Obligor of each Loan Document to which it is a party) have been duly authorized by all necessary corporate or other organizational action of the Obligor, and do not and will not:

- (a) contravene the terms of any of the Obligor's Organization Documents;
- (b) conflict with or result in any breach or contravention of, or result in or require the creation of any Lien under, any document evidencing any material Contractual Obligation to which the Obligor is a

party, except for any breaches or contraventions which, in the aggregate, could not reasonably be expected to have a Material Adverse Effect; or

(c) violate any Requirement of Law or any order, injunction, writ or decree of any Governmental Authority to which the Obligor or its property is subject, except to the extent that such violations, in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

**Section 5.03 Governmental Authorization.** No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority is necessary or required in connection with the Transactions (including the execution, delivery or performance by, or enforcement against, the Obligor of each Loan Document to which it is a party), except such as have been obtained and are in full force and effect (including without limitation, the approval of the Department of Insurance of the jurisdiction of the domicile of the Insurance Subsidiaries).

**Section 5.04 Binding Effect.** This Agreement has been duly executed and delivered by the Company and constitutes, and each other Loan Document to which the Obligor is to be a party, when executed and delivered by the Obligor, will constitute, a legal, valid and binding obligation of the Company or the Obligor, as the case may be, in each case enforceable against the Company or the Obligor, as the case may be, in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting the enforcement of creditors' rights generally or by equitable principles relating to enforceability, regardless of whether considered in a proceeding in equity or in law.

**Section 5.05 Litigation.** Except as set forth on **Schedule 5.05**, there are no actions, suits, proceedings, claims or disputes pending, or to the knowledge of the Company, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, against the Company or any of its Subsidiaries or any of their respective properties that: (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions (including the Transactions) contemplated hereby or thereby; or (b) individually or in the aggregate could reasonably be expected to have a Material Adverse Effect. No injunction, writ, temporary restraining order or any order of any nature has been issued by any court or other Governmental Authority purporting to enjoin or restrain the execution, delivery or performance of this Agreement or any other Loan Document or directing that the transactions (including the Transactions) provided for herein or therein not be consummated as herein or therein provided.

**Section 5.06 No Default.** No Default or Event of Default has occurred and is continuing. Without limiting the foregoing, no Default would result from the consummation of the Transactions. As of the Closing Date, neither the Company nor any Subsidiary is in default under or with respect to any Contractual Obligation in any respect that, individually or together with all such defaults, could reasonably be expected to have a Material Adverse Effect.

**Section 5.07 ERISA Compliance.**

(a) Each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state law except to the extent that such non-compliance could not reasonably be expected to have a Material Adverse Effect. Each Plan that is intended to qualify under Section 401(a) of the Code has either (i) received a favorable determination letter from the IRS and to the knowledge of the Company, nothing has occurred which would reasonably be expected to cause the loss of such qualification or (ii) with respect to the Plans identified on **Schedule 5.07**, is in the process of requesting a favorable determination letter from the IRS as to its qualified status, and the Company is not aware of any fact or issue that would reasonably be expected to cause the IRS to fail to issue a favorable determination letter, except where such non-qualification could not reasonably be expected to have a Material Adverse Effect.

The Company, its Subsidiaries and each ERISA Affiliate have made all required contributions to any Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan, except where such lack of contribution or application for funding waiver could not reasonably be expected to have a Material Adverse Effect.

(b) Except as set forth on **Schedule 5.07**, there are no pending or, to the knowledge of the Company, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company, there has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that could reasonably be expected to have a Material Adverse Effect.

(c) Except for occurrences or circumstances that individually or in the aggregate could not reasonably be expected to have a Material Adverse Effect: (i) except as set forth on **Schedule 5.07**, since December 31, 2014, no ERISA Event has occurred or is reasonably expected to occur; (ii) except as set forth on **Schedule 5.07**, as of the Closing Date, no Single Employer Pension Plan has any Unfunded Pension Liability; (iii) the Unfunded Pension Liabilities, if any, of all Single Employer Pension Plans do not exceed, in the aggregate, \$25,000,000; (iv) none of the Company, any of its Subsidiaries or any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred that, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Section 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) none of the Company, any of its Subsidiaries or any ERISA Affiliate has knowingly engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

**Section 5.08 Margin Regulations.** Neither the Company nor any Subsidiary is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying Margin Stock. Margin Stock does not constitute more than 25% of the value of the consolidated assets of the Company and its Subsidiaries. None of the proceeds of the Loans will be used to acquire Margin Stock. None of the transactions contemplated by this Agreement (including the direct or indirect use of the proceeds of the Loans) will violate or result in a violation of the Securities Act of 1933, as amended, or the Exchange Act, or regulations issued pursuant thereto, or Regulation T, U or X of the FRB.

**Section 5.09 Title to Properties.** The Company and each Subsidiary have good legal title in fee simple or rights in and power to transfer, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of their respective businesses, except for any failure to have such good title and any defects in title or interests as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. As of the Closing Date, the property of the Company and its Subsidiaries is subject to no Liens, other than Liens permitted under **Section 7.02**.

#### **Section 5.10 Taxes.**

(a) The Company and each of its Subsidiaries has timely filed all federal Tax and other material Tax returns and reports required to be filed, and has paid all federal Tax and other material Taxes levied or imposed upon it or its properties, income or assets that have become due and payable (including in its capacity as a withholding agent), except those that are (i) not more than 90 days overdue and not yet subject to penalties for failure to file or pay or (ii) being contested in good faith by appropriate proceedings and for which adequate reserves have been provided in accordance with SAP or GAAP, as applicable (*provided* that such contest effectively suspends collection of the same and enforcement of any Lien securing the same). There is no current or proposed Tax audit, assessment, deficiency or other claim

or proceeding against the Company or any Subsidiary that could reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(b) Except as could not be reasonably expected to, individually or in the aggregate, result in a Material Adverse Effect (i) the Company and each of its Subsidiaries has made adequate provision in accordance with SAP or GAAP (as applicable) for all Taxes not yet due and payable and (ii) neither the Company nor any Subsidiary has ever participated in a "listed transaction" within the meaning of Treasury Regulation Section 1.6011-4.

**Section 5.11 Financial Condition.**

(a) Each of (i) the audited consolidated financial statements of the Company and its Subsidiaries dated December 31, 2020, and the related consolidated statements of income, shareholders' equity and cash flows for the Fiscal Year ended on that date, reported on by PricewaterhouseCoopers LLP, independent public accountants and (ii) the unaudited consolidated financial statements of the Company and its Subsidiaries dated June 30, 2021, and the related consolidated statements of income, shareholders' equity and cash flows for the period ended on that date:

(i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, subject, in the case of such unaudited financial statements, to ordinary, good faith year end and audit adjustments and the absence of footnote disclosure;

(ii) fairly present in all material respects the financial condition, results of operations, cash flows and changes in shareholders' equity of the Company and its Subsidiaries as of the date thereof and results of operations for the period covered thereby; and

(iii) show all material indebtedness and other liabilities, direct or contingent, of the Company and its consolidated Subsidiaries as of the date thereof.

(b) Each of (x) the December 31, 2020 Annual Statement of each Insurance Subsidiary and (y) the June 30, 2021 Quarterly Statement of each Insurance Subsidiary (collectively, the "Historical Statutory Statements"):

(i) were prepared in accordance with SAP, except as may be reflected in the notes thereto and subject, with respect to the Quarterly Statements, to the absence of notes required by SAP and to normal year-end adjustments; and

(ii) were in all material respects, in compliance with applicable Requirements of Law when filed and present fairly in all material respects the financial condition of the respective Insurance Subsidiaries covered thereby as of the respective dates thereof and changes in Capital and Surplus of the respective Insurance Subsidiaries covered thereby for the respective periods then ended.

Except for liabilities and obligations disclosed or provided for in the Historical Statutory Statements (including, without limitation, reserves, policy and contract claims and statutory liabilities), no Insurance Subsidiary had, as of the date of its respective Historical Statutory Statements, any material liabilities or obligations of any nature whatsoever (whether absolute, contingent or otherwise and whether or not due) that, in accordance with SAP, would have been required to have been disclosed or provided for in such Historical Statutory Statement.

(c) The financial projections, budgets and estimates are as to future events provided to the Agent prior to the date hereof have been prepared in good faith based upon assumptions that are believed by the preparer thereof to be reasonable at the time that they are provided to the Agent, it being understood and agreed that (i) financial projections, budgets and estimates are as to future events and are not to be viewed as facts, (ii) financial projections, budgets and estimates are subject to significant uncertainties and contingencies, many of which are beyond the Company's control, (iii) no assurance can be given that any particular financial projections, budgets or estimates will be realized and (iv) actual results during the period or periods covered by any such projections, budgets or estimates may differ significantly from the projected, budgeted or estimated results and such differences may be material.

(d) Since December 31, 2020, there has been no material adverse change in the business, properties, results of operations or financial condition of the Company and its Subsidiaries, taken as a whole.

**Section 5.12 Environmental Matters.** The Company and each of its Subsidiaries has obtained all environmental, health and safety permits, licenses and other authorizations required under all Environmental Laws to own and operate their property or and to conduct its business as now being or as proposed to be conducted, except to the extent failure to have any such permit, license or authorization would not (either individually or in the aggregate) have a Material Adverse Effect. Each of such permits, licenses and authorizations is in full force and effect and the Company and each of its Subsidiaries is in compliance with the terms and conditions thereof, and is also in compliance with all other limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in any applicable Environmental Law or in any plan, order, decree, judgment, injunction, notice or demand letter issued, entered, promulgated or approved thereunder, except to the extent failure to comply therewith would not (either individually or in the aggregate) have a Material Adverse Effect. There have been no past, and there are no pending or, to the knowledge of the Company, threatened, Environmental Claims against the Company or any of its Subsidiaries, except for such Environmental Claims that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

**Section 5.13 Investment Company Act.** None of the Company, any Person controlling the Company, or any Subsidiary, is (a) subject to regulation, or required to register, under the Investment Company Act of 1940 or (b) a "registered investment company" or a company "controlled" by a "registered investment company" or a "principal underwriter" of a "registered investment company" as such terms are defined in the Investment Company Act of 1940.

**Section 5.14 Equity Interests and Ownership.**

(a) The Capital Stock of each of the Company and its Subsidiaries has been duly authorized and validly issued and is fully paid and non-assessable. Except as set forth on **Schedule 5.14(a)**, as of the Closing Date, there is no existing option, warrant, call, right, commitment or other agreement to which the Company or any of its Subsidiaries is a party requiring, and there is no membership interest or other Capital Stock of the Company or any of its Subsidiaries outstanding which upon conversion or exchange would require, the issuance by the Company or any of its Subsidiaries of any additional membership interests or other Capital Stock of the Company or any of its Subsidiaries or other securities convertible into, exchangeable for or evidencing the right to subscribe for or purchase, a membership interest or other Capital Stock of the Company or any of its Subsidiaries.

(b) **Schedule 5.14(b)** sets forth the name of, and the ownership interest of the Company (or the applicable Subsidiary) in, each of its Subsidiaries and identifies each Subsidiary that is a Foreign Subsidiary and/or an Insurance Subsidiary, in each case as of the Closing Date. All the Company's Subsidiaries are, and will at all times be, fully consolidated in its consolidated financial statements.

**Section 5.15 Insurance Licenses.** No License of the Company or any Insurance Subsidiary, the loss of which individually or in the aggregate could reasonably be expected to have a Material Adverse Effect, is the subject of a proceeding for suspension or revocation. To the Company's knowledge, there is no sustainable basis for such suspension or revocation, and no such suspension or revocation has been threatened by any Governmental Authority.

**Section 5.16 Full Disclosure.** All written Information (other than financial projections, budgets, estimates and information of a general economic or industry nature) provided to the Agent directly by or on behalf of the Company or its subsidiaries or affiliates to the Agent or the Lenders in connection with the Transactions was, as of the Second Amendment Effective Date and when taken as a whole (after giving effect to all supplements thereto), correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not materially misleading in light of the circumstances under which such statements were made.

**Section 5.17 [Reserved].**

**Section 5.18 [Reserved].**

**Section 5.19 Insurance.** Other than as could not reasonably be expected to have a Material Adverse Effect, the insurance maintained by or reserved on the books of the Company and its Subsidiaries is sufficient to protect the Company and its Subsidiaries and their respective directors and officers against such risks as are usually insured against in accordance with industry practice by companies in the same or similar business.

**Section 5.20 OFAC; Anti-Terrorism Laws; Anti-Corruption Laws; PATRIOT Act.**

(a) None of the Obligor or its Subsidiaries and, to the knowledge of senior management of the Obligor, none of its controlled Affiliates and none of the respective officers, directors, brokers or agents of the Obligor (with respect to brokers and agents, acting at the direction of or on behalf of the Obligor), such Subsidiary or controlled Affiliate (i) has violated or is in violation of any applicable Anti-Money Laundering Law or Anti-Corruption Law or (ii) has engaged or engages in any transaction, investment, undertaking or activity that conceals the identity, source or destination of the proceeds from any category of offenses designated in any applicable law, regulation or other binding measure implementing the "Forty Recommendations" and "Nine Special Recommendations" published by the Organisation for Economic Co-operation and Development's Financial Action Task Force on Money Laundering.

(b) None of the Obligor or its Subsidiaries and, to the knowledge of senior management of the Obligor, none of its controlled Affiliates and none of the respective officers, directors, brokers or agents of the Obligor (with respect to brokers and agents, acting at the direction of or on behalf of the Obligor), such Subsidiary or such controlled Affiliate that is acting or benefiting in any capacity in connection with the Loans (i) is an Embargoed Person or (ii) except as otherwise authorized by OFAC, otherwise permitted for U.S. persons by a U.S. Governmental Authority or by any rule, regulation or order of a U.S. Governmental Authority, will use any proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Person for the purpose of financing the activities of or with any Person or in any country or territory that, at the time of funding or facilitation, is an Embargoed Person.

(c) Except as otherwise authorized by OFAC, none of the Obligor or its Subsidiaries and, to the knowledge of senior management of the Obligor, none of its controlled Affiliates and none of the respective officers, directors, brokers or agents of the Obligor (with respect to brokers and agents, acting at the direction of or on behalf of the Obligor), such Subsidiary or such controlled Affiliate acting or benefiting in any capacity in connection with the Loans (i) conducts any business or engages in making or

receiving any contribution of funds, goods or services to or for the benefit of any Embargoed Person, (ii) deals in, or otherwise engages in any transaction related to, any property or interests in property blocked pursuant to any applicable Economic Sanctions Laws or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the applicable prohibitions set forth in any Economic Sanctions Laws.

**Section 5.21 Surplus Debenture Interest and Dividends.** The Company has not received any notice from NAIC, any other Governmental Authority or any other insurance regulatory authority that its Insurance Subsidiaries will not be permitted to pay dividends or Surplus Debenture interest, and has no reason to believe that such notice is forthcoming, in each case except for notices which could not reasonable be expected to have a Material Adverse Effect.

#### **ARTICLE 6. AFFIRMATIVE COVENANTS**

Until all principal of and interest on each Loan and all fees and other amounts payable hereunder have been paid in full (other than unmatured, surviving contingent indemnification obligations not yet due and payable), all Commitments have been terminated and all Letters of Credit have been cancelled or have expired, the Company covenants and agrees with the Lenders that:

**Section 6.01 Financial Statements.** The Company shall deliver to the Agent and each Lender:

(a) promptly upon filing thereof with the SEC (including as part of a Form 10-K) but not later than **90 days** after the end of each Fiscal Year, copies of the audited consolidated balance sheet of the Company as at the end of such year and the related audited consolidated statements of operations, shareholders' equity and cash flows for such year, setting forth in comparative form the figures for the previous Fiscal Year, and accompanied by the opinion of PricewaterhouseCoopers LLP or another nationally-recognized independent public accounting firm ("Independent Auditor"), which opinion shall state that such audited consolidated financial statements present fairly in all material respects the financial position and result of operations of the Company and its Subsidiaries for the periods indicated in conformity with GAAP applied on a basis consistent with prior years, except as stated therein. Such opinion shall be without a "going concern" or like qualification and shall not be qualified as to scope;

(b) promptly upon filing thereof with the SEC (including as part of a Form 10-Q) but not later than **50 days** after the end of each of the first three Fiscal Quarters of each Fiscal Year, copies of the condensed unaudited consolidated balance sheet of the Company and its Subsidiaries as of the end of such quarter and the related condensed unaudited consolidated statements of operations, shareholders' equity and cash flows for the period commencing on the first day and ending on the last day of such quarter and for the then elapsed portion of such Fiscal Year, setting forth in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, and certified by a Responsible Officer as fairly presenting in all material respects, in accordance with GAAP (subject to the absence of footnotes and year-end audit adjustments), the financial position, the results of operations and cash flows of the Company and the Subsidiaries;

(c) as soon as available but not later than **90 days** (or, in the case of the Annual Statement prepared on a combined basis, **100 days**) after the close of each Fiscal Year of each Insurance Subsidiary (**other than the Bermuda Entities**), copies of the unaudited Annual Statement of such Insurance Subsidiary on a stand-alone basis and on a combined basis for all Insurance Subsidiaries (**other than the Bermuda Entities**), the stand-alone Annual Statement to be certified by a Responsible Officer of such Insurance Subsidiary, all such statements to be prepared in accordance with SAP consistently applied throughout the periods reflected therein and, if required by the applicable Governmental Authority, audited and certified by independent certified public accountants of recognized national standing (such

audited Annual Statement to be delivered as soon as available but not later than **June 15** of each Fiscal Year of such Insurance Subsidiary);

(d) as soon as available but not later than **75 days** (or, in the case of the Quarterly Statement prepared on a combined basis, **90 days**) after the close of each of the first three Fiscal Quarters of each Fiscal Year of each Insurance Subsidiary (**other than the Bermuda Entities**), copies of the Quarterly Statement of such Insurance Subsidiary on a stand-alone basis and on a combined basis for all Insurance Subsidiaries (**other than the Bermuda Entities**), the stand-alone Quarterly Statement to be certified by a Responsible Officer of such Insurance Subsidiary, all such statements to be prepared in accordance with SAP consistently applied through the period reflected therein;

(e) promptly following the delivery to or receipt by the Company or any of its Subsidiaries of (i) any regular or periodic final Triennial Examination Reports **with respect to any Insurance Subsidiary (other than the Bermuda Entities)**, and (ii) in each case to the extent the content thereof could reasonably be expected to result in a Material Adverse Effect, any risk adjusted capital reports or results of any market conduct examination or examination by any Department or the NAIC of the financial condition and operations of, or any notice of any assertion as to violation of any Requirement of Law by, any Insurance Subsidiary (**other than the Bermuda Entities**), or any other report with respect to any Insurance Subsidiary **other than the Bermuda Entities** (including any summary report from the NAIC with respect to the performance of such Insurance Subsidiary as measured against the ratios and other financial measurements developed by the NAIC under its Insurance Regulatory Information System as in effect from time to time) that could reasonably be expected to result in a Material Adverse Effect; **and**

(f) within **100 days** after the close of each Fiscal Year of each Insurance Subsidiary (**other than the Bermuda Entities**) a copy of the "Statement of Actuarial Opinion" and "Management Discussion and Analysis" for each such Insurance Subsidiary that is provided to the applicable Department (or equivalent information should such Department no longer require such a statement) as to the adequacy of reserves of such Insurance Subsidiary, such opinion to be in the format prescribed by the insurance code of the state of domicile of such Insurance Subsidiary;

(g) **as soon as available but not later than 150 days after the close of each Fiscal Year of each Bermuda Entity, a copy of the unaudited annual statutory financial statement of such Bermuda Entity, certified by a Responsible Officer of such Bermuda Entity and prepared in accordance with SAP consistently applied throughout the periods reflected therein and, if required by the applicable Governmental Authority, audited and certified by independent certified public accountants of recognized national standing (such audited annual statutory financial statement to be delivered as soon as available but not later than June 15 of each Fiscal Year of such Bermuda Entity); and**

(h) **promptly following the delivery to or receipt by the Company or any of its Subsidiaries of any examinations conducted by the Bermuda Monetary Authority that could reasonably be expected to result in a Material Adverse Effect.**

#### **Section 6.02 Certificates: Other Information.**

The Company shall furnish to the Agent, for further distribution to each Lender:

(a) concurrently with the delivery of the financial statements referred to in **Section 6.01(a)** and **Section 6.01(b)**, a Compliance Certificate executed by a Responsible Officer;

(b) concurrently with the delivery of the financial statements referred to in **Section 6.01(a)**, a certificate of the Independent Auditor that reported on such financial statements stating (i) whether during

the course of its examination of such financial statements it obtained knowledge of any Default relating to accounting matters (which certificate may be limited to the extent required by auditing rules or guidelines), (ii) if a Default relating to accounting matters has come to its attention, specifying the nature and period of existence thereof and (iii) stating whether or not, based on its audit examination, anything has come to its attention that causes them to believe that the matters set forth in Schedule 3 to the Compliance Certificate delivered pursuant to Section 6.02(a) for the applicable Fiscal Year to the extent such matters relate to accounting are not stated in accordance with the terms of this Agreement;

(c) promptly upon receipt thereof, copies of all final reports submitted to the Company by independent public accountants in connection with each annual, interim or special audit of the financial statements of the Company made by such accountants, including the comment letter submitted by such accountants to management in connection with their annual audit;

(d) promptly, copies of all Forms 10-K and 10-Q that the Company or any Subsidiary may file with the SEC, all financial statements and reports that the Company sends to its shareholders and copies of all other financial statements and regular, periodic or special reports (including Form 8-K) that the Company or any Subsidiary may make to, or file with, the SEC;

(e) [Reserved];

(f) promptly and in any event within three Business Days after the publication thereof, notification of any changes after the date hereof in any rating given by S&P, Moody's, Fitch or A.M. Best in respect of the Company, any of its Subsidiaries or any of their Indebtedness or securities;

(g) to the extent not otherwise provided under Section 6.01 or Section 6.02, promptly upon receipt thereof, or delivery thereof by the Company or any Subsidiary, as applicable, a copy of any written communication addressed to the Company or any of its Subsidiaries setting forth or relating to the Company's and its Subsidiaries' operations that may reasonably be expected to be materially adverse to the interests of the Company, such Subsidiary or the Lenders delivered to or received from S&P, Moody's, Fitch or A.M. Best or any other rating agency;

(h) [reserved];

(i) [reserved]; and

(j) promptly, such additional information regarding the business, financial or corporate affairs of the Company or any Subsidiary, or compliance with the terms of any Loan Document, as the Agent, for itself or at the request of any Lender, may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01, Section 6.02 or Section 6.03 may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date (i) on which the Company posts such documents or provides a link thereto on the Company's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Company's behalf on IntraLinks/IntraAgency or another relevant website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent) or (iii) on which such documents are made publicly available at [www.sec.gov](http://www.sec.gov); *provided* that, with respect to clause (ii) and (iii) of this paragraph, the Company shall notify (which may be by facsimile or electronic mail) the Agent of the posting of any such documents and, solely with respect to clause (ii), provide to the Agent by electronic mail electronic versions (i.e., soft copies) of such documents. Except for Compliance Certificates, the Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor

compliance by the Company with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Company hereby acknowledges that (a) the Agent will make available information and projections (collectively, **Company Materials**) to the Lenders by posting the Company Materials on IntraLinks or another similar secure electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (e., Lenders that do not wish to receive material non-public information with respect to the Company, its Subsidiaries or their respective securities) (each, a "Public Lender"). The Company hereby agrees that (v) it will use commercially reasonable efforts to identify that portion of the Company Materials that may be distributed to the Public Lenders and that all such Company Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Company Materials "PUBLIC," the Company shall be deemed to have authorized the Agent and the Lenders to treat such Company Materials as not containing any material non-public information with respect to the Company, its Subsidiaries or their respective securities for purposes of United States federal and state securities laws, it being understood that such Company Materials are subject to **Section 10.08**; (y) all Company Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Lender"; and (z) the Agent shall be entitled to treat any Company Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Lender."

**Section 6.03 Notices.** The Company shall promptly notify the Agent:

- (a) as soon as possible after a Responsible Officer knows thereof, of the occurrence of any Default;
- (b) of any matter that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect, including any of the following that could reasonably be expected to have a Material Adverse Effect: (i) any breach or non-performance of, or any default under, a Contractual Obligation of the Company or any Subsidiary; (ii) any dispute, litigation, investigation, proceeding or suspension between the Company or any Subsidiary and any Governmental Authority; (iii) the commencement of, or any material development in, any litigation (including any governmental proceeding or arbitration proceeding), tax audit or investigative proceeding, claim, lawsuit, and/or investigation against or involving the Company or any of its Subsidiaries or any of its or their businesses or operations, including pursuant to any applicable Environmental Laws; (iv) the expiration without renewal, revocation, suspension or restriction of, or the institution of any proceedings to revoke, suspend or restrict, any license now or hereafter held by any Insurance Subsidiary that is required to conduct insurance business in compliance with all applicable laws and regulations; (v) the institution of any disciplinary proceedings against or in respect of any Insurance Subsidiary, or the issuance of any order, the taking of any action or any request for an extraordinary audit for cause by any Governmental Authority; or (vi) the issuance or adoption of any judicial or administrative order limiting or controlling the insurance business of any Insurance Subsidiary (and not the insurance industry generally);
- (c) of the filing or commencement of, or the occurrence of any development in, any litigation or proceeding that seeks to enjoin, prohibit, discontinue or otherwise impacts (i) the validity or enforceability of this Agreement or any of the other Loan Documents or (ii) the transactions contemplated hereby or thereby and, in the case of **clause (ii)**, that could reasonably be expected to have a Material Adverse Effect;
- (d) of the occurrence of any of the following events affecting the Company, any of its Subsidiaries or any ERISA Affiliate (but in no event more than 10 days after such event) and deliver to the Agent and each Lender a copy of any notice with respect to such event that is filed with a Governmental

Authority and any notice delivered by a Governmental Authority to the Company, any of its Subsidiaries or any ERISA Affiliate with respect to such event:

- (i) an ERISA Event; or
- (ii) a material increase in the Unfunded Pension Liabilities of any Pension Plan;
- (iii) the adoption of or the commencement of contributions to any Plan subject to Title IV of ERISA or Section 412 of the Code by the Company, any of its Subsidiaries or any ERISA Affiliate; or
- (iv) the adoption of any amendment to a Plan subject to Title IV of ERISA or Section 412 of the Code, if such amendment results in a material increase in contributions or Unfunded Pension Liability;

*provided that no such notice will be required under this **Section 6.03(d)** with respect to the occurrence of any such event if such occurrence does not result in, and is not reasonably expected to result in, any liability to the Company, any of its Subsidiaries or any ERISA Affiliate of more than \$25,000,000 in the aggregate; and*

- (e) of any material change in accounting policies or financial reporting practices by the Company or any of its Subsidiaries.

Each notice under this Section shall be accompanied by a written statement by a Responsible Officer setting forth details of the occurrence referred to therein, and stating what action the Company or any affected Subsidiary proposes to take with respect thereto and at what time. Each notice under **Section 6.03(a)** shall describe with particularity any and all clauses or provisions of this Agreement or other Loan Document that have been (or reasonably foreseeably will be) breached or violated.

**Section 6.04 Preservation of Corporate Existence, Etc.** The Company shall, and shall cause each Subsidiary to (except as permitted by **Section 7.03** or **Section 7.07**):

(a) preserve and maintain in full force and effect its existence and good standing under the laws of its state or jurisdiction of incorporation or organization, as applicable, *provided no Subsidiary (other than the Company) shall be required to preserve any such existence or good standing if such Person's board of directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person, and that the loss thereof could not reasonably be expected to result in a Material Adverse Effect; and*

(b) preserve and maintain in full force and effect all governmental rights, privileges, qualifications, permits, licenses and franchises necessary in the normal conduct of its business, except, in the case of this **clause (b)**, where such failure to preserve and maintain could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

**Section 6.05 Insurance.** The Company shall, and shall cause each Subsidiary to, maintain with financially sound and reputable independent insurers insurance against losses or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Company and its Subsidiaries) as are customarily carried under similar circumstances by such other Persons, except where such failure to maintain such insurance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

**Section 6.06 Payment of Obligations.** The Company shall, and shall cause each Subsidiary to, pay and discharge as the same shall become due and payable, all of the following: all federal Tax and other material Tax liabilities imposed upon it or its material properties or assets, unless the same (a) are not overdue for a period of more than **90 days** and not yet subject to penalties for failure to pay or (b) are being contested in good faith by appropriate proceedings and adequate reserves in accordance with SAP or GAAP (as applicable) are being maintained by the Company or such Subsidiary and such contest effectively suspends collection of the same and the enforcement of any Lien securing the same.

**Section 6.07 Compliance with Laws.** The Company shall, and shall cause each Subsidiary to, comply with all Requirements of Law of any Governmental Authority having jurisdiction over it or its business (including the Federal Fair Labor Standards Act, the Patriot Act and all applicable Environmental Laws), except (i) for such noncompliance that could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or (ii) as may be contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP.

**Section 6.08 Compliance with ERISA.** The Company shall, and shall cause each of its Subsidiaries and ERISA Affiliates to: (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other federal or state law; (b) cause each Plan that is qualified under Section 401(a) of the Code to maintain such qualification, and (c) make all required contributions to any Plan subject to Section 412 of the Code, except where such failure to maintain as set forth in (a) or (b) or to make contributions as set forth in (c) could not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

**Section 6.09 Inspection of Property and Books and Records.** The Company shall, and shall cause each Subsidiary to, maintain proper books of record and account, in which full, true and correct entries in all material respects in conformity with GAAP or SAP, as applicable, consistently applied (except as stated therein) shall be made of all financial transactions and matters involving the assets and business of the Company and such Subsidiary. Unless an Event of Default has occurred and is continuing, not more than once per fiscal year, the Company shall permit, and shall cause each Subsidiary to permit, representatives and independent contractors of the Agent or its designees, at the Company's expense, to visit and inspect any of their respective properties, to examine their respective corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss their respective affairs, finances and accounts with their respective directors, officers, and independent public accountants, all at such reasonable times during normal business hours, upon reasonable advance notice to the Company; *provided* that members of senior management will be notified and permitted to be present during any such meetings; and *provided, further*, that when an Event of Default exists the Agent or any Lender (through coordination with the Agent) may do any of the foregoing at any time during normal business hours and without advance notice; *provided* that the Company shall not be required to reimburse the costs of any Lender for more than one visit per Fiscal Quarter.

**Section 6.10 [Reserved].**

**Section 6.11 Use of Proceeds.** The proceeds of the Revolving Loans shall be used for the working capital and general corporate purposes of the Company.

**Section 6.12 [Reserved].**

**Section 6.13 Further Assurances.** Promptly upon request by the Agent, or any Lender through the Agent, (i) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates,

assurances and other instruments as the Agent, or any Lender through the Agent, may reasonably require from time to time to give effect to the rights granted or now or hereafter intended to be granted to the Credit Parties under any Loan Document or under any other instrument executed in connection with any Loan Document to which the Company or any of its Subsidiaries is or is to be a party.

**Section 6.14 Maintenance of Ratings.** Use commercially reasonable efforts to maintain a rating an unsecured debt rating and a corporate family credit rating (but no specific rating) of the Company by each of S&P and Moody's.

**Section 6.15 [Reserved].**

**Section 6.16 Maintenance of Properties.** The Company and each Subsidiary will, and will cause each of its Subsidiaries to, maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, all material properties used or useful in the business of the Company and its Subsidiaries and from time to time will make or cause to be made all appropriate repairs, renewals and replacements thereof.

**ARTICLE 7. NEGATIVE COVENANTS**

Until all principal of and interest on each Loan and all fees and other amounts payable hereunder have been paid in full (other than unmatured, surviving contingent indemnification obligations not yet due and payable), all Commitments have been terminated and all Letters of Credit have been cancelled or have expired, the Company covenants and agrees with the Lenders that:

**Section 7.01 Limitation on Subsidiary Debt.** The Company will not permit any of its Subsidiaries to create, assume, incur or otherwise become liable for or suffer to exist any Indebtedness (any Indebtedness of a Subsidiary of the Company, "Subsidiary Debt"), other than such Subsidiary Debt that is:

(a) Indebtedness of a Person existing at the time it is merged, combined or amalgamated with or into or consolidated with or into any such Subsidiary or at the time of a sale, lease or other disposition of the properties and assets of such Person (or a division thereof) as an entirety or substantially as an entirety to any such Subsidiary and is assumed by such Subsidiary; *provided* that any Indebtedness was not incurred in contemplation thereof and is not Guaranteed by any other such Subsidiary (other than any Guarantee existing at the time of such merger, consolidation or sale, lease or other disposition of properties and assets and that was not issued in contemplation thereof);

(b) Indebtedness of a Person existing at the time such Person becomes a Subsidiary of the Company *provided* that any Indebtedness was not incurred in contemplation thereof;

(c) Indebtedness owed to the Company or any Subsidiary of the Company;

(d) Indebtedness or Guarantees in respect of netting services, business credit card programs, overdraft protection and other treasury, depository and cash management services or incurred in connection with any automated clearing-house transfers of funds or other fund transfer or payment processing services;

(e) Indebtedness or Guarantees arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, provided that any such Indebtedness or Guarantee is extinguished within five business days within its incurrence;

- (f) reimbursement obligations incurred in the ordinary course of business;
- (g) client advances and deposits received in the ordinary course of business;
- (h) Indebtedness or Guarantees incurred (i) in respect of workers' compensation claims, payment obligations in connection with health or other types of social security benefits, unemployment or other insurance obligations, reclamation and statutory obligations, (ii) in connection with the financing of insurance premiums or self-insurance obligations or take-or- pay obligations contained in supply agreements, and (iii) in respect of guarantees, warranty or contractual service obligations, indemnity, bid, performance, warranty, release, appeal, surety and similar bonds, letters of credit and banker's acceptances for operating purposes or to secure any Indebtedness or other obligations referred to in clauses (a) through (g) or this clause (h), payment (other than for payment of Indebtedness) and completion guarantees, in each case provided or incurred (including Guarantees thereof) in the ordinary course of business; or
- (i) (i) Indebtedness outstanding on the Second Amendment Effective Date and (ii) any Permitted Refinancing Indebtedness in exchange for or the net proceeds of which are used to renew, refund, replace, defease or discharge any Indebtedness existing on the Second Amendment Effective Date or Indebtedness referred to in clauses (a) or (b) above;
- (j) Indebtedness under Permitted Swap Obligations;
- (k) [Reserved];
- (l) any Surplus Debentures issued by any Insurance Subsidiary to the Company or any of its Subsidiaries that remain outstanding on the Closing Date, and extensions, renewals or replacements thereof;
- (m) Permitted Transactions entered into by Insurance Subsidiaries in connection with Permitted Portfolio Investments;
- (n) non-recourse Indebtedness of Insurance Subsidiaries incurred in the ordinary course of business (x) existing or arising under Swap Contracts entered into by Insurance Subsidiaries or (y) resulting from the sale or securitization of non-admitted assets, policy loans, CBOs and CMOs;
- (o) [Reserved];
- (p) Indebtedness in respect of letters of credit issued in connection with reinsurance transactions entered into in the ordinary course of business; and
- (q) such other Indebtedness incurred by a Subsidiary of the Company up to an aggregate principal amount outstanding, that when taken together with the principal amount of all Indebtedness then outstanding secured by Liens permitted pursuant to **Section 7.02(cc)**, does not exceed the greater of (i) \$200,000,000 and (ii) 7.5% of **Consolidated Net Worth**

**Section 7.02 Liens.** The Company shall not, and shall not permit any of its Subsidiaries to, create, assume or suffer to exist any Lien on any property now owned or hereafter acquired by it, except for the following:

- (a) Liens on the assets of any Subsidiary securing Indebtedness of such Subsidiary that is permitted pursuant to clauses (a) through (n) and clause (p) of **Section 7.01**;

- (b) Liens on assets of Insurance Subsidiaries or the Company securing obligations under transactions entered into in connection with Permitted Portfolio Investments;
- (c) [Reserved];
- (d) Liens (i) for Taxes, assessments or other governmental charges that are not overdue for more than 90 days and not yet subject to penalties for failure to pay or (ii) for Taxes, assessments or other governmental charges being contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (e) Liens existing on the date hereof and listed in **Schedule 7.02**, including extensions, renewals and replacements of such Liens; *provided* that (i) such Lien shall not apply to any additional property (other than after acquired title in or on such property and proceeds of the existing collateral in accordance with the document creating such Lien) and (ii) the Indebtedness secured thereby is not increased except as otherwise permitted under **Section 7.01** (in which case the portion representing any additional increase must be permitted by another paragraph of this **Section 7.02**);
- (f) (i) Liens incurred in the ordinary course of business in connection with worker's compensation, unemployment insurance or other forms of governmental insurance or benefits or to secure performance of tenders, statutory obligations, leases and contracts (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety or appeal bonds and (ii) [reserved];
- (g) (i) Liens of attorneys retained by the Company on a contingency fee basis and (ii) Liens of mechanics, carriers, warehousemen and materialmen and other like Liens imposed by law and arising in the ordinary course of business in respect of obligations that in the case of **clause (ii)** hereof are not overdue for more than **60 days** or that are being contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP;
- (h) Liens arising in the ordinary course of business for sums being contested in good faith and by appropriate proceedings and with respect to which adequate reserves are being maintained in accordance with GAAP, or for sums not due, and in either case not involving any deposits or advances for borrowed money or the deferred purchase price of property or services;
- (i) [Reserved];
- (j) minor survey exceptions, ground leases, easements, rights of way, minor encroachments, protrusions, municipal and zoning and building ordinances and similar charges, encumbrances, title defects or other irregularities, governmental restrictions on the use of property or conduct of business, and Liens in favor of governmental authorities and public utilities, that do not materially interfere with the ordinary course of business of the Company and its Subsidiaries, taken as a whole;
- (k) Liens on property of the Company and its Subsidiaries in favor of landlords securing licenses, subleases or leases of property not otherwise prohibited hereunder;
- (l) licenses, leases or subleases permitted hereunder granted to others not materially interfering in any material respect in the business of the Company and its Subsidiaries;
- (m) attachment or judgment Liens not constituting an Event of Default under **Section 8.01(i)** and Liens securing appeal or surety bonds related to such judgment, so long as any appropriate legal

proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(n) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to operating leases or consignment arrangements entered into by the Company and its Subsidiaries in the ordinary course of business;

(o) [Reserved];

(p) [Reserved];

(q) any Lien on any asset of any Person existing at the time such Person becomes a Subsidiary of the Company, is merged or consolidated with or into the Company or a Subsidiary of the Company and not created in contemplation of such event;

(r) Liens on any cash earnest money deposit made by the Company or any Subsidiary in connection with any letter of intent or acquisition agreement;

(s) Liens incurred in connection with the collection or disposition of delinquent accounts receivable in the ordinary course of business;

(t) Liens in favor of or required by a Governmental Authority to secure payments under any contract or statute, or to secure debts incurred in financing the acquisition or construction of or improvements or alterations to property subject thereto;

(u) Liens in favor of any customer arising in respect of and not exceeding the amount of performance deposits and partial, progress, advance or other payments by that customer for goods produced or services rendered to that customer in the ordinary course of business and consignment arrangements (whether as consignor or as consignee) or similar arrangements for the sale or purchase of goods in the ordinary course of business;

(v) Liens resulting from the deposit of funds or evidences of Indebtedness in trust for the purpose of defeasing or effecting a satisfaction and discharge of any Indebtedness of the Company or any of its Subsidiaries, and legal or equitable encumbrances deemed to exist by reason of negative pledges;

(w) Liens to secure the performance of bids, trade or commercial contracts, government contracts, purchase, construction, sales and servicing contracts (including utility contracts), leases, statutory obligations, surety, stay, customs, revenue and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business and to secure letters of credit, Guarantees, bonds or other sureties given in connection with the foregoing or in connection with workers' compensation, unemployment insurance, general insurance and other insurance laws and old age pensions and or other types of social security or retirement or similar laws and regulations;

(x) Liens on stock, partnership or other equity interests in any joint venture of the Company or any of its Subsidiaries or in any Subsidiary of the Company that owns an equity interest in a joint venture to secure Indebtedness contributed or advanced solely to that joint venture; provided that, in each case, the obligations secured by such Lien are not secured by a Lien on any other property of the Company or any Subsidiary of the Company;

(y) Liens on specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

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

(aa) Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the Uniform Commercial Code in effect in the relevant jurisdiction covering only the items being collected upon;

(bb) [Reserved]; and

(cc) any other Liens securing obligations up to an aggregate amount outstanding, that when taken together with the principal amount of all Indebtedness incurred and then outstanding pursuant to **Section 7.01(q)**, does not exceed the greater of (i) **\$200,000,000** and (ii) **7.5% of Consolidated Net Worth**.

#### **Section 7.03 Disposition of Assets.**

The Company shall not, and shall not permit any of its Subsidiaries to Dispose of (whether in one or a series of transactions) any property (including accounts and notes receivable with or without recourse and Capital Stock of any Subsidiary whether newly issued or otherwise), except:

(a) (i) Dispositions of inventory and equipment in the ordinary course of business and (ii) Dispositions of Cash Equivalents;

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

(c) Dispositions of Investments by any Insurance Subsidiary (other than any of its Investments in Subsidiaries engaged in insurance lines of business) and Dispositions by the Company of Investments, in each case, in the ordinary course of business consistent with past practices of the Company and its Subsidiaries taken as a whole and the investment policy approved by the board of directors of such Insurance Subsidiary or the Company, as the case may be;

(d) Dispositions by the Company or any Subsidiary to the Company or any Subsidiary;

(e) [Reserved];

(f) obsolete, surplus or worn out property disposed of by the Company or any of its Subsidiaries in the ordinary course of business and consistent with past practices of the Company and its Subsidiaries;

(g) transfers resulting from any casualty or condemnation of property or assets;

(h) licenses or sublicenses of intellectual property and general intangibles and licenses, leases or subleases of other property in the ordinary course of business and consistent with the past practices of the Company and its Subsidiaries and which do not materially interfere with the business of the Company and its Subsidiaries;

(i) Dispositions consisting of mergers, amalgamations and consolidations among the Company and its Subsidiaries, or of any liquidation, winding up or dissolution of any Subsidiary, in each case to the extent permitted by **Section 7.07**;

(j) Dispositions of shares of Capital Stock in order to qualify members of the board of directors or equivalent governing body of a Subsidiary or such other nominal shares required to be held other than by the Company or such Subsidiary, as required by applicable law;

(k) the sale, discount, forgiveness or other compromise of notes or other accounts in the ordinary course of business or in connection with collection thereof;

(l) issuances of Capital Stock (i) by the Company, (ii) by a directly or indirectly Wholly-Owned Subsidiary of the Company to the Company or to one or more Wholly-Owned Subsidiaries of the Company or (iii) by a non-Wholly-Owned Subsidiary of the Company to the respective equity holders of such non-Wholly-Owned Subsidiary, on a pro rata basis;

(m) the sale and leaseback of the Company's headquarters located in Carmel, Indiana, on fair and reasonable terms (as certified to the Agent in writing by a Responsible Officer of the Company);

(n) Dispositions required by any regulation or order of any Governmental Authority; and

(o) Dispositions not otherwise permitted hereunder; *provided* that the aggregate value of all assets or property subject to any such Disposition (in a single transaction or series of related transactions) in reliance with this **Section 7.03(o)** shall not exceed 15% of Consolidated Net Worth (after giving after pro forma effect to such Disposition).

**Section 7.04 [Reserved].**

**Section 7.05 Transactions with Affiliates.** The Company shall not, and shall not suffer or permit any Subsidiary to, enter into any transaction with any Affiliate of the Company, other than

(a) transactions no less favorable to the Company or such Subsidiary than would be obtained in a comparable arm's-length transaction with a Person not an Affiliate of the Company or such Subsidiary,

(b) insurance transactions, intercompany pooling and other reinsurance transactions entered into in the ordinary course of business and consistent with past practice,

(c) transactions between or among the Company and its Subsidiaries and between or among Subsidiaries,

(d) [Reserved],

(e) [Reserved],

(f) arrangements for indemnification payments for directors and officers of the Company and its Subsidiaries,

(g) intercompany transactions between or among the Company and its Subsidiaries and between or among Subsidiaries, relating to the (i) provision of management services and other corporate overhead services, (ii) provision of personnel to other locations within the Company's consolidated group on a temporary basis and (iii) provision, purchase or lease of services, operational support, assets, equipment, data, information and technology, that, in the case of any such intercompany transaction referred to in this **clause (g)**, are subject to reasonable reimbursement or cost-sharing arrangements (as determined in good faith by the Company), which reimbursement or cost-sharing arrangements may be effected through transfers of cash or other assets or through book-entry credits or debits made on the

ledgers of each involved Subsidiary; *provided* that any such intercompany transaction is either (1) entered into in the ordinary course of business or (2) otherwise entered into pursuant to the reasonable requirements of the business of the Company and the Subsidiaries,

(h) ordinary course business transactions (other than transactions of the type described in **clause (c)** or **(g)** above) that (i) do not involve the sale, transfer or other Disposition of operations or assets and (ii) do not adversely affect the Lenders, and

(i) loans, Investments and guarantees among the Company and the Subsidiaries to the extent permitted under **Article 7** in the ordinary course of business of the respective parties.

**Section 7.06 Change in Business.** The Company shall not, and shall not suffer or permit any Subsidiary to, engage in any material line business that is substantially different than the businesses conducted by the Company and its Subsidiaries on the date of this Agreement or any business substantially related, incidental or complementary thereto as reasonably determined by the board of directors of the Company.

**Section 7.07 Fundamental Changes.**

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

(i) in connection with a Disposition of a Subsidiary otherwise permitted by **Section 7.03** and

(ii) if at the time thereof and immediately after giving effect thereto no Event of Default shall have occurred and be continuing,

(A) any Subsidiary may merge, consolidate or amalgamate into the Company in a transaction in which the Company is the surviving corporation,

(B) any two Subsidiaries may merge, consolidate or amalgamate, and

(C) any Subsidiary may liquidate, wind up or dissolve so long as the assets of such Subsidiary is distributed to the Company or any of its Subsidiaries.

(b) The Company shall not reorganize, reincorporate or otherwise change its jurisdiction of formation or organization unless the Company is reorganized, reincorporated or otherwise organized under the laws of the United States of America, any State thereof, the District of Columbia or any other jurisdiction within the United States of America.

**Section 7.08 [Reserved].**

**Section 7.09 [Reserved].**

**Section 7.10 [Reserved].**

**Section 7.11 Debt to Total Capitalization Ratio.** The Company shall maintain at all times a Debt to Total Capitalization Ratio of not more than **35.0%**.

**Section 7.12 Minimum Consolidated Net Worth.** The Company shall maintain at all times Consolidated Net Worth equal to not less than the sum of (a) **\$2,674,000,000 plus** (b) an amount equal to 25% of the Net Equity Proceeds received by the Company from the issuance and sale of Equity Interests of the Company, including the conversion of debt securities of the Company into Equity Interests after the first fiscal quarter after the Closing Date.

**Section 7.13 [Reserved].**

**Section 7.14 [Reserved].**

**Section 7.15 [Reserved].**

**Section 7.16 [Reserved].**

**Section 7.17 Restrictive Agreements.** The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, enter into or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition on

(a) [Reserved];

(b) the ability of any Subsidiary to pay dividends or other distributions with respect to any shares of its Capital Stock or to make, repay or prepay loans or advances to the Company or any other Subsidiary or to Dispose of assets to the Company or any other Subsidiary; *provided* that

(i) the foregoing shall not apply to restrictions and conditions imposed by applicable law (including pursuant to regulatory restrictions) or imposed by any Governmental Authority;

(ii) the foregoing shall not apply to restrictions and conditions existing on the date hereof and identified on **Schedule 7.17** (but shall apply to any amendment or modification, or any extension or renewal, of any such restriction or condition that has the effect of making such restriction or condition materially more restrictive),

(iii) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary or assets or property of the Company or any Subsidiary pending such sale; *provided* that such restrictions and conditions apply only to the Subsidiary or assets or property that is to be sold and such sale is permitted hereunder,

(iv) the foregoing shall not apply to restrictions that are not more restrictive than those contained in this Agreement contained in any documents governing any Indebtedness permitted by this Agreement,

(v) this Section shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness (including Capitalized Lease Liabilities and Purchase Money Debt) permitted by this Agreement if such restrictions or conditions apply only to the collateral securing such Indebtedness,

(vi) this Section shall not apply to customary provisions in leases or licenses or other contracts and agreements restricting the assignment, subletting or sublicensing thereof and

(vii) this Section shall not apply to

(A) any Subsidiary that is not a Wholly-Owned Subsidiary with respect to restrictions and conditions imposed by such Subsidiary's organizational documents or any related joint venture or similar agreement so long as any such restriction or condition applies only to such Subsidiary and to any Equity Interests in such Subsidiary;

(B) restrictions and conditions imposed on any Subsidiary in existence at the time such Subsidiary became a Subsidiary (but shall apply to any amendment or modification expanding the scope of any such restriction or condition which makes such restrictions and conditions, taken as a whole, materially more restrictive); *provided* that such restrictions and conditions (A) apply only to such Subsidiary and (B) were not imposed in anticipation of the Facilities;

(C) customary provisions contained in leases, sub-leases, licenses, sub-licenses or similar agreements, including with respect to intellectual property and other agreements, in each case entered into in the ordinary course of business; *provided* that such provisions apply only to the assets that are the subject of such lease, sub-lease, license, sub-license or other agreement and shall not apply to any other assets of the Company or any Subsidiary and

(D) restrictions on pledging joint venture interests included in customary provisions in joint venture agreements or arrangements and other agreements and other similar agreements applicable to joint ventures.

**Section 7.18 [Reserved].**

**Section 7.19 Changes in Fiscal Year.**

The Company shall not, and shall not permit any of its Subsidiaries to change the last day of its fiscal year from December 31 of each year.

**ARTICLE 8. EVENTS OF DEFAULT**

**Section 8.01 Events of Default.** Each of the following shall constitute an "Event of Default":

(a) **Non-Payment.** The Company fails to pay (i) when and as required to be paid herein, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, any amount of principal of any Loan, or (ii) within **five (5) days** after the same becomes due, any interest, fee or any other amount payable hereunder or under any other Loan Document; or

(b) **Representation or Warranty.** Any representation or warranty by the Company or any of its Subsidiaries made or deemed made herein or in connection with any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or contained in any certificate, document or financial or other statement by the Company, any Subsidiary or any Responsible Officer, furnished at any time in connection with this Agreement or in connection with any other Loan Document or any amendment or modification hereof or thereof or waiver hereunder or thereunder, is incorrect in any material respect on or as of the date made or deemed made; or

(c) **Specific Defaults.** The Company or any of its Subsidiaries fails to perform or observe any term, covenant or agreement contained in any of **Section 6.03(a), Section 6.04(a)** (with respect to the Company's corporate existence) or **Article 7**, or

(d) **Other Defaults.** The Company or any of its Subsidiaries fails to perform or observe any other term or covenant contained in this Agreement or any other Loan Document, and such default shall continue unremedied for a period of **30 days** after the date upon which written notice thereof is given to the Company by the Agent or the Required Lenders; or

(e) **Cross-Default.**

(i) The Company or any Subsidiary

(A) fails to make any payment in respect of any Indebtedness or Contingent Obligation (other than in respect of Swap Contracts), having an aggregate principal amount of more than **\$75,000,000** (in the aggregate for all such Indebtedness and Contingent Obligations), when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise); or

(B) fails to perform or observe any other condition or covenant, or any other event shall occur or condition exist, under any agreement or instrument relating to any such Indebtedness (and, solely in the case of a failure to comply with any financial statement or other information delivery or reporting requirement or in the case of the entry of any judgment or decree, so long as such judgment or decree constitutes a Default but not an Event of Default under **Section 8.01(i)**, such failure or event continues after the applicable grace or notice period, if any, specified in the relevant document on the date of such failure or event) if the effect of such failure, event or condition is to cause, or to permit the holder or holders of such Indebtedness or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, such Indebtedness to be declared to be due and payable prior to its stated maturity, or, in the case of any such Indebtedness consisting of Contingent Obligations, to become payable or cash collateral in respect thereof to be demanded; or

(ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (x) any event of default under such Swap Contract as to which the Company or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (y) any Termination Event (as so defined) as to which the Company or any Subsidiary is an Affected Party (as so defined), and, in either event, the Swap Termination Value owed by the Company or such Subsidiary as a result thereof is greater than **\$75,000,000** (in the aggregate for all such Swap Contracts); or

(f) **Insolvency; Voluntary Proceedings.** The Company or any Significant Subsidiary (i) generally fails to pay, or admits in writing its inability to pay, its debts as they become due, subject to applicable grace periods, if any, whether at stated maturity or otherwise; (ii) voluntarily ceases to conduct its business in the ordinary course; (iii) commences any Insolvency Proceeding with respect to itself; (iv) applies for or consents to the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or for a substantial part of its assets, or (v) takes any action to effectuate or authorize any of the foregoing; or

(g) **Involuntary Proceedings.** (i) Any involuntary Insolvency Proceeding is commenced or filed against the Company or any Significant Subsidiary, or any writ, judgment, warrant of attachment, execution or similar process, is issued or levied against a substantial part of the Company's or any Significant Subsidiary's properties, and any such proceeding or petition shall not be dismissed, or such writ, judgment, warrant of attachment, execution or similar process shall not be released, vacated or fully bonded within 60 days after commencement, filing or levy; (ii) the Company or any Significant Subsidiary

admits the material allegations of a petition against it in any Insolvency Proceeding, or an order for relief (or similar order under non-U.S. law) is ordered in any Insolvency Proceeding; (iii) the Company or any Significant Subsidiary acquiesces in the appointment of a receiver, trustee, custodian, conservator, liquidator, mortgagee in possession (or agent therefor), or other similar Person for itself or a substantial portion of its property or business; or (iv) the Company or any Significant Subsidiary shall become subject to any conservation, rehabilitation or liquidation order, directive or mandate issued by any Governmental Authority; or

(h) **Pension Plans and Welfare Plans.** With respect to any Single Employer Pension Plan or Multiemployer Plan, any ERISA Event has occurred that could reasonably be expected to result in the incurrence of liability by the Company, any of its Subsidiaries or any ERISA Affiliate or steps are taken to terminate any Multiemployer Plan and such steps could reasonably be expected to result in any liability of the Company, any of its Subsidiaries or any ERISA Affiliate, where in any event, individually or in the aggregate, the liability incurred by the Company and its Subsidiaries would have a Material Adverse Effect; or

(i) **Material Judgments.** One or more judgments or decrees shall be entered against the Company or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance as to which the relevant insurance company has not denied coverage) of **\$75,000,000** or more, and all such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within 30 days from the entry thereof, or any action shall be taken by a judgment creditor to attach or levy upon any asset of the Company or any of its Subsidiaries to enforce any such judgment or decree; or

(j) **Material Regulatory Matters.** At any time the Financial Strength Rating Condition is not satisfied, (i) any Insurance Subsidiary shall not make a scheduled payment of interest or principal on any surplus note or similar form of indebtedness (due to actions of any Governmental Authority or otherwise), (ii) any Insurance Subsidiary's ability to pay fees to its Affiliates under existing agreements (or extensions of existing agreements) shall be restricted (due to actions of any Governmental Authority or otherwise) or (iii) in any Fiscal Year, an Insurance Subsidiary's ability to pay dividends to its stockholders is restricted in any manner (due to actions of any Governmental Authority or otherwise), other than by restrictions relating to dividends that apply generally to other insurance companies domiciled in the Insurance Subsidiary's state of domicile under the insurance law of the state, and (1) in the cases of **clauses (i) through (iii)** above, such event or condition, together with all other such events or conditions, could reasonably be expected to have a Material Adverse Effect and (2) in each case, such event or condition was not in effect as of the date hereof; or

(k) **Change of Control.** There occurs any Change of Control; or

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

**Section 8.02 Remedies.** If any Event of Default shall have occurred and be continuing, the Agent shall, at the request of, or may, with the consent of, the Required Lenders,

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

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

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

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

**Section 8.03 Rights Not Exclusive.** The rights provided for in this Agreement and the other Loan Documents are cumulative and are not exclusive of any other rights, powers, privileges or remedies provided by law or in equity, or under any other instrument, document or agreement now existing or hereafter arising.

#### ARTICLE 9. THE AGENT

**Section 9.01 Appointment and Authority.** Each of the Lenders hereby irrevocably appoints KeyBank to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the Lenders, and neither the Company nor any Subsidiary shall have rights as a third party beneficiary of any of such provisions.

**Section 9.02 Rights as a Lender.** The Person serving as the Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Company or any Subsidiary or other Affiliate thereof as if such Person were not the Agent hereunder and without any duty to account therefor to the Lenders.

**Section 9.03 Exculpatory Provisions.** No Agent-Related Person shall have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the no Agent-Related Person:

(a) shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that, with respect to the Agent, is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that no Agent-Related Person shall be required to take any action that, in its

opinion or the opinion of its counsel, may expose such Agent-Related Person to liability or that is contrary to any Loan Document or applicable law; and

(c) shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, shall be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent, any Agent-Related Person or any of their respective Affiliates in any capacity.

No Agent-Related Person shall be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent-Related Person shall believe in good faith shall be necessary, under the circumstances as provided in [Sections 8.02](#) and [10.01](#)) or (ii) in the absence of such Agent-Related Person's own gross negligence or willful misconduct. No Agent-Related Person shall be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent-Related Person by the Company or a Lender.

No Agent-Related Person shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in [Article 4](#) or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to such Agent-Related Person.

**Section 9.04 Reliance by Agent.** The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

**Section 9.05 Delegation of Duties.** The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent.

**Section 9.06 Resignation of Agent.** The Agent may at any time give notice of its resignation to the Lenders and the Company. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, subject to the reasonable satisfaction of the Company so long as no Event of Default has occurred and is continuing, to appoint a successor, which shall be a bank with an office in the United

States, or an Affiliate of any such bank with an office in the United States. If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above; provided that if the Agent shall notify the Company and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Agent on behalf of the Lenders under any of the Loan Documents, the retiring Agent shall continue to hold such collateral security until such time as a successor Agent is appointed) and (2) all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time as the Required Lenders appoint a successor Agent, in consultation with the Company, as provided for above in this Section. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Company to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Company and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and **Sections 10.04** and **10.05** shall continue in effect for the benefit of such retiring Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring Agent was acting as Agent.

**Section 9.07 Non-Reliance on Agent and Other Lenders.** Each Lender acknowledges that it has, independently and without reliance upon any Agent-Related Person or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon any Agent-Related Person or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder.

**Section 9.08 No Other Duties, Etc.** Anything herein to the contrary notwithstanding, none of the Arrangers, joint bookrunners, syndication agents or documentation agents listed on the cover page hereof shall have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent or a Lender hereunder.

**Section 9.09 Agent May File Proofs of Claim.** In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Obligor, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Company) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under **Sections 2.10, 10.04** and **10.05** allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequesterator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Sections 2.10, 10.04 and 10.05.

Nothing contained herein shall be deemed to authorize the Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or to authorize the Agent to vote in respect of the claim of any Lender in any such proceeding.

**Section 9.10 [Reserved].**

**Section 9.11 Indemnification of Agent-Related Persons.** Whether or not the transactions contemplated hereby are consummated, the Lenders shall indemnify upon demand each Agent-Related Person (to the extent not reimbursed by or on behalf of the Company and without limiting the obligation of the Company to do so), ratably according to their respective portions of the total Loans held on the date on which indemnification is sought, and hold harmless each Agent-Related Person from and against any and all Indemnified Liabilities incurred by it; *provided that* no Lender shall be liable for the payment to any Agent-Related Person of any portion of such Indemnified Liabilities to the extent determined in a final, nonappealable judgment by a court of competent jurisdiction to have resulted from such Agent-Related Person's own gross negligence or willful misconduct; and *provided, further*, that no action taken in accordance with the directions of the Required Lenders shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section. Without limitation of the foregoing, each Lender shall reimburse each Agent-Related Person upon demand for its ratable share of any costs or out-of-pocket expenses (including Attorney Costs) incurred by such Agent-Related Person in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, any other Loan Document or any document contemplated by or referred to herein, to the extent that such Agent-Related Person is not reimbursed for such expenses by or on behalf of the Company. The undertaking in this Section shall survive the payment of all other Obligations and the resignation of the Agent or any Agent-Related Person.

**Section 9.12 Withholding Tax.** To the extent required by any applicable law, the Agent shall withhold from any payment to any Lender an amount equal to any applicable withholding Tax. If the IRS or any Governmental Authority asserts a claim that the Agent did not properly withhold Tax from any amount paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered or was not properly executed, or because such Lender failed to notify the Agent of a change in circumstances that rendered the exemption from, or reduction of, withholding Tax ineffective), such Lender shall indemnify and hold harmless the Agent (to the extent that the Agent has not already been reimbursed by the Company and without limiting or expanding the obligation of the Company to do so) for all amounts paid, directly or indirectly, by the Agent as tax or otherwise, including any penalties, additions to Tax or interest thereon, together with all expenses incurred, including legal expenses and any out-of-pocket expenses, whether or not such Tax was correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or

any other Loan Document against any amount due to the Agent under this **Article 9**. The agreements in this **Article 9** shall survive the resignation and/or replacement of the Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Loans and the repayment, satisfaction or discharge of all obligations under this Agreement. Unless required by applicable laws, at no time shall the Agent have any obligation to file for or otherwise pursue on behalf of a Lender any refund of Taxes withheld or deducted from funds paid for the account of such Lender. For the purposes of this Section, the term "Lender" includes any Issuing Bank.

**Section 9.13 No Reliance on Agent's Customer Identification Program.** Each of the Lenders and Issuing Bank acknowledges and agrees that neither such Lender or Issuing Bank nor any of its Affiliates, participants or assignees, may rely on the Agent to carry out such Lender's, Issuing Bank's, Affiliate's, participant's or assignee's customer identification program, or other obligations required or imposed under or pursuant to the USA PATRIOT Act or the regulations thereunder, including the regulations contained in 31 CFR 103.121 (as hereafter amended or replaced, the "CIP Regulations"), or any other anti-terrorism law, including any programs involving any of the following items relating to or in connection with any of the Company, its Affiliates or its agents, this Agreement, the other Loan Documents or the transactions hereunder or contemplated hereby: (a) any identity verification procedures, (b) any record keeping, (c) comparisons with government lists, (d) customer notices or (e) other procedures required under the CIP Regulations or such other laws.

**Section 9.14 Erroneous Payments.**

- (a) If the Agent (x) notifies a Lender or Issuing Bank, or any Person who has received funds on behalf of a Lender or Issuing Bank (any such Lender, Issuing Bank or other recipient (and each of their respective successors and assigns), a "Payment Recipient") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under immediately succeeding clause (b)) that any funds (as set forth in such notice from the Agent) received by such Payment Recipient from the Agent or any of its Affiliates were erroneously or mistakenly transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Issuing Bank or other Payment Recipient on its behalf) (any such funds, whether transmitted or received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and (y) demands in writing the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent pending its return or repayment as contemplated below in this **Section 9.14** and held in trust for the benefit of the Agent, and such Lender or Issuing Bank shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter (or such later date as the Agent may, in its sole discretion, specify in writing), return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon (except to the extent waived in writing by the Agent) in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of the Federal Funds Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this clause (a) shall be conclusive, absent manifest error.
- (b) Without limiting immediately preceding clause (a), each Lender, Issuing Bank or any Person who has received funds on behalf of a Lender or Issuing Bank (and each of their respective successors and assigns), agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the

Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in this Agreement or in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or Issuing Bank, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part), then in each such case:

- (i) it acknowledges and agrees that (A) in the case of immediately preceding clauses (x) or (y), an error and mistake shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error and mistake has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and
- (ii) such Lender or Issuing Bank shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of the occurrence of any of the circumstances described in immediately preceding clauses (x), (y) and (z)) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this **Section 9.14(b)**.

For the avoidance of doubt, the failure to deliver a notice to the Agent pursuant to this **Section 9.14(b)** shall not have any effect on a Payment Recipient's obligations pursuant to **Section 9.14(a)** or on whether or not an Erroneous Payment has been made.

(c) Each Lender or Issuing Bank hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or Issuing Bank under any Loan Document, or otherwise payable or distributable by the Agent to such Lender or Issuing Bank under any Loan Document with respect to any payment of principal, interest, fees or other amounts, against any amount that the Agent has demanded to be returned under immediately preceding clause (a).

(d) (i) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor in accordance with immediately preceding clause (a), from any Lender that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an "**Erroneous Payment Return Deficiency**"), upon the Agent's notice to such Lender at any time, then effective immediately (with the consideration therefor being acknowledged by the parties hereto), (A) such Lender shall be deemed to have assigned its Loans (but not its Commitments) of the relevant Class with respect to which such Erroneous Payment was made (the "**Erroneous Payment Impacted Class**") in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Loans (but not Commitments) of the Erroneous Payment Impacted Class, the "**Erroneous Payment Deficiency Assignment**") (on a cashless basis and such amount calculated at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance)), and is hereby (together with the Company) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption by reference pursuant to an electronic platforms approved by the Agent as to which the Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender shall deliver any Notes evidencing such Loans to the Company or the Agent (but the failure of such Person to deliver any such Notes shall not affect the effectiveness of the foregoing assignment), (B) the Agent as the assignee Lender shall

be deemed to have acquired the Erroneous Payment Deficiency Assignment, (C) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender, (D) the Agent and the Company shall each be deemed to have waived any consents required under this Agreement to any such Erroneous Payment Deficiency Assignment, and (E) the Agent will reflect in the Register its ownership interest in the Loans subject to the Erroneous Payment Deficiency Assignment. For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender and such Commitments shall remain available in accordance with the terms of this Agreement.

(ii) Subject to **Section 10.07** (but excluding, in all events, any assignment consent or approval requirements thereunder (other than in respect of the Company)), the Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). In addition, an Erroneous Payment Return Deficiency owing by the applicable Lender (x) shall be reduced by the proceeds of prepayments or repayments of principal and interest, or other distribution in respect of principal and interest, received by the Agent on or with respect to any such Loans acquired from such Lender pursuant to an Erroneous Payment Deficiency Assignment (to the extent that any such Loans are then owned by the Agent) and (y) may, in the sole discretion of the Agent, be reduced by any amount specified by the Agent in writing to the applicable Lender from time to time.

- (e) The parties hereto agree that (x) irrespective of whether the Agent may be equitably subrogated, in the event that an Erroneous Payment (or portion thereof) is not recovered from any Payment Recipient that has received such Erroneous Payment (or portion thereof) for any reason, the Agent shall be subrogated to all the rights and interests of such Payment Recipient (and, in the case of any Payment Recipient who has received funds on behalf of a Lender or Issuing Bank, to the rights and interests of such Lender or Issuing Bank, as the case may be) under the Loan Documents with respect to such amount (the "**Erroneous Payment Subrogation Rights**") (provided that the Obligor's Obligations under the Loan Documents in respect of the Erroneous Payment Subrogation Rights shall not be duplicative of such Obligations in respect of Loans that have been assigned to the Agent under an Erroneous Payment Deficiency Assignment) and (y) an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Company; *provided that this Section 9.14 shall not be interpreted to increase (or accelerate the due date for), or have the effect of increasing (or accelerating the due date for), the Obligations of the Company relative to the amount (and/or timing for payment) of the Obligations that would have been payable had such Erroneous Payment not been made by the Agent; provided, further, that for the avoidance of doubt, immediately preceding clauses (x) and (y) shall not apply to the extent any such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from the Company for the purpose of making such Erroneous Payment.*
- (f) To the extent permitted by applicable law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by

the Agent for the return of any Erroneous Payment received, including, without limitation, any defense based on "discharge for value" or any similar doctrine.

(g) Each party's obligations, agreements and waivers under this **Section 9.14** shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Bank, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

#### **ARTICLE 10. MISCELLANEOUS**

**Section 10.01 Amendments and Waivers.** No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Company therefrom, shall be effective unless in writing signed by the Required Lenders and the Company, as the case may be, and acknowledged by the Agent, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided* that the Agent may, with the consent of the Company only, amend, modify or supplement this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency (as reasonably determined by the Agent), so long as such amendment, modification or supplement does not adversely affect the rights of any Lender (or any Issuing Bank or the Swing Line Lender, if applicable) or the Lenders shall have received at least **five Business Days**' prior written notice thereof and the Agent shall not have received, within **five Business Days** of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment; *provided, further*, that no such amendment, waiver or consent shall:

- (a) extend or increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to **Section 8.02**) without the written consent of such Lender;
- (b) postpone or delay the maturity of the Loans, or any scheduled date of payment of the principal amount of the Loans or any reimbursement obligation in respect of any Letter of Credit, or any date for the payment of any interest, premium or fees due to the Lenders (or any of them) hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly affected thereby (other than as a result of waiving (i) an Event of Default in accordance with the terms hereof, (ii) default interest hereunder to the extent a waiver of the underlying default giving rise to such default interest does not require a vote of all Lenders) or (iii) a mandatory prepayment to be made hereunder;
- (c) amend the definition of "Required Lenders" or "Pro Rata Share" without the consent of each Lender directly affected thereby *provided* that with the consent of Required Lenders, additional extensions of credit pursuant hereto may be included in the determination of "Required Lenders" or "Pro Rata Share" on substantially the same basis as the Revolving Commitments and the Revolving Loans are included on the Closing Date without the written consent of each Lender;
- (d) amend the definition of "Interest Period" to permit Interest Periods with a duration of longer than six months without the written consent of each Lender;
- (e) [Reserved];
- (f) extend the stated expiration date of any Letter of Credit beyond the end of the Letter of Credit Commitment Period or amend the definition of "Letter of Credit Commitment Period" without the written consent of each Lender affected thereby and each Issuing Bank;
- (g) amend this **Section 10.01** without the written consent of each Lender;

- (h) subject to **Section 2.17(d)**, change **Section 2.14** in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender;
- (i) consent to the assignment or transfer by the Obligor of any of its rights and obligations under any Loan Document without the written consent of each Lender;
- (j) increase any Revolving Commitment of any Lender over the amount thereof then in effect without the consent of such Lender *provided* that no amendment, modification or waiver of any condition precedent, covenant, Default or Event of Default shall constitute an increase in any Revolving Commitment of any Lender;
- (k) amend, modify, terminate or waive any provision hereof relating to the Swing Line Sublimit or the Swing Line Loans without the consent of the Swing Line Lender;
- (l) alter the required application of any repayments or prepayments pursuant to **Section 2.09(d)** or **(e)** without the consent of **Swing Line Lender** or the consent of Lenders holding more than 50% of the aggregate Revolving Exposure, which, is being allocated a lesser repayment or prepayment as a result thereof; *provided* that Required Lenders may waive, in whole or in part, any prepayment so long as the application, as between the Swing Line Lender and Revolving Lenders, of any portion of such prepayment which is still required to be made is not altered;
- (m) amend, modify, terminate or waive any obligation of Lenders relating to the purchase of participations in Letters of Credit as provided in **Section 2.04(e)** without the written consent of the Agent and of each Issuing Bank;
- (n) amend, modify or waive this Agreement so as to alter the ratable treatment of Obligations arising under the Loan Documents or the definition of "Obligations" in each case in a manner adverse to any Credit Party without the written consent of any such Credit Party;
- (o) amend, modify, terminate or waive any provision of the Loan Documents as the same applies to the Agent or any Arranger, or any other provision hereof as the same applies to the rights or obligations of the Agent or any Arranger, in each case without the consent of the Agent or Arranger, as applicable;
- (p) amend, modify, eliminate or waive any provision of any of **Sections 7.11, 7.12, and 7.14** or the Company's and its Subsidiaries' obligations to comply therewith without the written consent of the Required Lenders; or
- (q) amend, modify, or waive any provision affecting the rights, duties and obligations of any Issuing Bank under this Agreement or any Letter of Credit issued by such Issuing Bank without the consent of such Issuing Bank;

*provided, further,* that (i) no such agreement shall, unless in writing and signed by the Agent in addition to the Required Lenders or all the Lenders, as the case may be, affect the rights or duties of the Agent under this Agreement or any other Loan Document (except with respect to the removal of the Agent) and (ii) any fee agreement referred to in **Section 2.11** may be amended, or rights or privileges thereunder waived, in a writing executed by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder, except for any amendment, waiver or consent pursuant to **Section 10.01(a), (b), (c) or (j)**.

**Section 10.02 Notices.**

(a) Unless otherwise expressly provided herein, all notices and other communications provided for hereunder shall be in writing (including by facsimile or electronic transmission). All such written notices shall be mailed, emailed, faxed or delivered to the applicable address, facsimile number (*provided* that any matter transmitted by the Company by facsimile (1) shall be immediately confirmed by a telephone call to the recipient at the number specified on **Schedule 10.02**, and (2) shall be followed promptly by delivery of a hard copy original thereof) or (subject to **subsection (c)** below) electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Company or the Agent, to the address, facsimile number, electronic mail address or telephone number specified for such Person on **Schedule 10.02** or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(ii) if to any other Lender, to the address, facsimile number, electronic mail address or telephone number specified in its administrative questionnaire or to such other address, facsimile number, electronic mail address or telephone number as shall be designated by such party in a notice to the Company and the Agent.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, four Business Days after deposit in the mails, postage prepaid; (C) if delivered by facsimile or electronic mail, when sent and receipt has been confirmed by telephone; and (D) if delivered by electronic mail (which form of delivery is subject to the provisions of **subsection (c)** below), when delivered; *provided* that notices and other communications to the Agent pursuant to **Article 2** shall not be effective until actually received by such Person. In no event shall a voicemail message be effective as a notice, communication or confirmation hereunder.

(b) Electronic Communications:

(i) Notices and other communications to the Agent, Lenders, Swing Line Lender and each Issuing Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites, including the Platform) pursuant to procedures approved by the Agent, *provided* that the foregoing shall not apply to notices to the Agent, any Lender, Swing Line Lender or any applicable Issuing Bank pursuant to **Article 2** if such Person has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Company may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications. Unless the Agent otherwise prescribes, (A) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgment); *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (B) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing **clause (A)** of notification that such notice or communication is available and identifying the website address therefor.

(ii) The Company and each of its Subsidiaries understands that the distribution of material through an electronic medium is not necessarily secure and that there are confidentiality and other risks associated with such distribution and agrees and assumes the risks associated with such electronic distribution, except to the extent that such losses, costs, expenses or liabilities are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the Agent.

(iii) The Platform and any Approved Electronic Communications are provided "as is" and "as available". None of the Agent-Related Persons warrant the accuracy, adequacy, or completeness of the Approved Electronic Communications or the Platform and each expressly disclaims liability for errors or omissions in the Platform and the Approved Electronic Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third party rights or freedom from viruses or other code defects is made by the Agent-Related Persons in connection with the Platform or the Approved Electronic Communications.

(iv) The Company, each of its Subsidiaries, each Lender and each Issuing Bank agrees that the Agent may, but shall not be obligated to, store any Approved Electronic Communications on the Platform in accordance with the Agent's customary document retention procedures and policies.

(v) Any notice of Default or Event of Default may be provided by telephone if confirmed promptly thereafter by delivery of written notice thereof

(c) The Agent-Related Persons and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Company even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Company shall indemnify each Agent-Related Person and each Lender from all losses, costs, out-of-pocket expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Company; *provided* that such indemnity shall not, as to any such Person, be available to the extent that such losses, costs, expenses or liabilities are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Person. All telephonic notices to and other communications with the Agent may be recorded by the Agent, and each of the parties hereto hereby consents to such recording.

**Section 10.03 No Waiver; Cumulative Remedies.** No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder shall operate 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 10.04 Costs and Expenses.** The Company agrees (a) to pay or reimburse each Agent-Related Person for all reasonable costs and out-of-pocket expenses incurred in connection with the development, preparation, negotiation and execution of this Agreement and the other Loan Documents and any amendment, waiver, consent or other modification of the provisions hereof and thereof (whether or not the transactions contemplated hereby or thereby are consummated) and the consummation and administration of the transactions contemplated hereby and thereby, including all Attorney Costs, which shall be limited to the reasonable fees and reasonable disbursements of (x) one primary counsel for the Agent-Related Person and (y) if reasonably required by the Agent, additional local and/or specialist counsel and (b) to pay or reimburse each Agent-Related Person and each Lender for all costs and expenses

incurred in connection with the enforcement, attempted enforcement or preservation of any rights or remedies under this Agreement (including, but not limited to [Section 10.04](#)) or the other Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding, including in any Insolvency Proceeding or appellate proceeding), including all reasonable fees, expenses and disbursements of any law firm or other external legal counsel, which shall be limited to the reasonable fees and reasonable disbursements of (x) one primary counsel for the Agent-Related Persons, (y) if reasonably required by the Agent, additional local and/or specialist counsel for the Agent-Related Persons and (z) solely in the case of a conflict of interest, one additional counsel to each group of similarly situated indemnified persons, taken as a whole and (1) one additional primary counsel to the Lenders, (2) if reasonably requested by the Required Lenders, additional local and/or specialist counsel for the Lenders and (3) solely in the case of a conflict of interest, one additional counsel to each group of similarly situated indemnified persons, taken as a whole. The foregoing costs and expenses shall include all search, filing, recording, title insurance and appraisal charges and fees and taxes related thereto and other out-of-pocket expenses incurred by each Agent-Related Person and the cost of independent public accountants and other outside experts (subject to the limitations above) retained by such Agent-Related Person or any Lender. All amounts due under this Section shall be payable within ten Business Days after written demand therefor together with, if requested by the Company, backup documentation supporting such payment or reimbursement request. The agreements in this Section shall survive the repayment of the Loans and the other Obligations.

#### **Section 10.05 Company Indemnification; Damage Waiver.**

(a) Whether or not the transactions contemplated hereby are consummated, the Company shall indemnify and hold harmless each Agent-Related Person, each Lender and their respective Affiliates, and the directors, officers, employees, counsel, agents, partners and attorneys-in-fact of such Persons and Affiliates involved with the refinancing, the Closing Date Transactions or the Transactions (collectively the "**Indemnified Persons**") from and against any and all liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, charges and costs, expenses and disbursements (including reasonable Attorney Costs) of any kind or nature whatsoever (including those arising from or relating to any environmental matters) that may at any time be imposed on, incurred by or asserted against any such Indemnified Person by any third party or by the Company in any way relating to or arising out of or in connection with (a) the execution, delivery, enforcement, performance or administration of any Loan Document or any other agreement, letter or instrument delivered in connection with the transactions contemplated thereby or the consummation of the transactions contemplated thereby, (b) any Commitment or Loan or the use or proposed use of the proceeds therefrom, (c) any Environmental Liability related to the Company or any of its Subsidiaries or (d) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory (including any investigation of, preparation for or defense of any pending or threatened claim, investigation, litigation or proceeding) and regardless of whether any Indemnified Person is a party thereto (all the foregoing, collectively, the "**Indemnified Liabilities**"), in all cases, whether or not caused by or arising, in whole or in part, out of the negligence of the Indemnified Person; *provided* that such indemnity shall not, as to any Indemnified Person, be available to the extent that such liabilities, obligations, losses, damages, penalties, claims, demands, actions, judgments, suits, costs, expenses or disbursements are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnified Person or arise out of or is in connection with any claim, litigation, loss or proceeding not involving an act or omission of the Company or any of its Affiliates and that is brought by an Indemnified Person against another Indemnified Person (other than against the Agent in its capacity as such) *provided, further* that such indemnity shall be limited, in the case of legal fees and expenses, to (a) one counsel for all Indemnified Persons, taken as a whole, and, solely in the case of a conflict of interest, one additional counsel to each group of similarly situated indemnified persons, taken as a whole, and (b) if reasonably necessary, one additional local counsel to such persons.

taken as a whole, in any relevant jurisdiction and/or one additional specialty counsel to all such persons, taken as a whole, and, solely in the case of a conflict of interest, one additional local counsel in such relevant material jurisdiction and/or specialty counsel to each group of similarly situated indemnified persons, taken as a whole. No Indemnified Person shall be liable for any damages arising from the use by others of any information or other materials obtained through IntraLinks or other similar information transmission systems in connection with this Agreement, nor shall any Indemnified Person have any liability for any indirect, special, punitive or consequential damages relating to this Agreement or any other Loan Document or arising out of its activities in connection herewith or therewith (whether before or after the Closing Date). All amounts due under this Section shall be payable within thirty days after written demand therefor together with, if requested by the Company, backup documentation supporting such indemnification request. The agreements in this Section shall survive the resignation of the Agent, the replacement of any Lender and the repayment, satisfaction or discharge of all the other Obligations. This **Section 10.05(a)** shall not apply with respect to Taxes other than any Taxes that represent losses, claims or damages arising from any non-Tax claim.

(b) To the extent permitted by applicable law, the Company shall not assert, and hereby waives, any claim against any Indemnified Person, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with or as a result of this Agreement or any agreement or instrument contemplated hereby, the Closing Date Transactions, the Transactions, any Loan or the use of the proceeds. No Indemnified Person shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

**Section 10.06 Marshalling; Payments Set Aside.** Neither the Agent nor any Lender shall be under any obligation to marshal any assets in favor of the Obligor or any other Person or against or in payment of any or all of the Obligations. To the extent that the Company makes a payment to the Agent, any Issuing Bank or the Lenders (or to the Agent, on behalf of Lenders or any Issuing Bank), or any Agent, Issuing Bank or Lender enforces any security interests or exercises any right of setoff, and such payment or the proceeds of such enforcement or the proceeds of such set-off or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any Insolvency Proceeding or otherwise, then (a) to the extent of such recovery the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred and (b) each Lender severally agrees to pay to the Agent upon demand its pro rata share of any amount so recovered from or repaid by the Agent.

**Section 10.07 Assignments, Successors, Participations, Etc.**

(a) **Successors and Assigns Generally.** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Company may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of **Section 10.07(b)**, or (ii) by way of participation in accordance with the provisions of **Section 10.07(d)** (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (as defined below) to the extent provided in **Section 10.07(e)** and, to the extent expressly contemplated

hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) **Assignments by Lenders.** Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it (*provided, however,* that pro rata assignments shall not be required and each assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any applicable Loan and any related Commitments)); *provided* that:

(i) [Reserved];

(ii) in the case of assignments of Revolving Loans or Revolving Commitments, such assignment (except in the case of assignments made by or to any Arranger), shall be consented to by each of the Company, Agent, any Issuing Bank and the Swing Line Lender (such consent not to be (x) unreasonably withheld or delayed or, (y) in the case of the Company, required at any time an Event of Default shall have occurred and then be continuing or such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund); *provided* that (A) the Company shall be deemed to have consented to any such assignment of Revolving Loans or Revolving Commitments unless it shall object thereto by written notice to the Agent within **ten (10) Business Days** after having received notice thereof and (B) each such assignment pursuant to this **Section 10.6(c)(ii)** shall be in an aggregate amount of not less than (w) \$2,500,000 with respect to the assignment of the Revolving Commitments and the Revolving Loans, (x) such lesser amount as agreed to by the Company, the Agent, any Issuing Bank and the Swing Line Lender, (y) the aggregate amount of the Loans of the assigning Lender with respect to the Class being assigned or (z) the amount assigned by an assigning Lender to an Affiliate or Approved Fund of such Lender

(iii) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loans or the Commitment assigned under the Facilities, except that this **clause (ii)** shall prohibit any Lender from assigning all or a portion of its rights and obligations under the Facilities on a non-pro rata basis;

(iv) the parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption; such Assignment and Assumption to be (A) electronically executed and delivered to the Agent via an electronic settlement system then acceptable to the Agent (or, if previously agreed with the Agent, manually), and (B) delivered together with a processing and recordation fee of \$3,500, unless waived or reduced by the Agent in its sole discretion; and

(v) the Eligible Assignee, if it shall not be a Lender, shall deliver to the Agent an administrative questionnaire, in the form prescribed by the Agent.

Subject to acceptance and recording thereof by the Agent pursuant to **Section 10.07(d)**, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, (*provided* that, with respect to circumstances in effect on the effective date of such Assignment and Assumption, an Eligible Assignee shall not be entitled to receive any greater payment under **Section 3.01** than the applicable Lender would have been entitled to receive had the assignment not taken place) and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party

hereto but shall continue to be entitled to the benefits of Sections 3.01, 3.03, 3.04, 10.04 and 10.05 with respect to facts and circumstances occurring prior to the effective date of such assignment). Upon request, the Company (at its expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 10.07(d).

(c) [Reserved].

(d) **Register.** The Agent, acting solely for this purpose as a non-fiduciary agent of the Company, shall maintain at the Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal and interest amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Company, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Company and each Lender (with respect to its own interests in the Facilities only) at any reasonable time and from time to time upon reasonable prior notice. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(e) **Participations.** Any Lender may at any time, without the consent of, or notice to, the Company or the Agent, sell participations to any Person (other than a natural person or the Company or any of the Company's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the owing to it); *provided* that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Company, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that directly affects such Participant. Except to the extent limited by Section 10.07(f), the Company agrees that each Participant shall be entitled to the benefits of Sections 3.01, 3.03 and 3.04 (subject to the limitations and requirements of such Sections (including Section 3.01(e) and Section 3.01(f) (it being understood that the documentation required under Section 3.01(e) and Section 3.01(f) shall be delivered to the participating Lender)) and Section 3.07, as if such Participant were a Lender to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.07(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.09 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.14 as though it were a Lender.

Each Lender that sells a participation pursuant to this Section 10.07(e) shall, acting solely for U.S. federal income tax purposes as a non-fiduciary agent of the Company, maintain a register on which it records the name and address of each participant and the principal amounts (and stated interest) of each participant's participation interest with respect to the Loans or other obligations under the Loan Documents (each, a "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any participant or any information relating to a participant's interest in any Commitments, Loans or its other obligations under this Agreement) except to the extent that the relevant parties, acting reasonably and in

good faith, determine that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations and Proposed Treasury Regulations Section 1.163-5(b) (and, in each case, any amended or successor version). The entries in the Participant Register shall be conclusive absent manifest error and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(f) **Limitations upon Participant Rights.** A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.03 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant; *provided that this Section 10.07(f) shall not apply if the sale of the participation to such Participant is made with the Company's prior written consent.*

(g) **Certain Pledges.** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.*

(h) **Electronic Execution of Assignments.** The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**Section 10.08 Confidentiality.** Each Lender shall maintain the confidentiality of all information provided to it by the Company or any Subsidiary, or by the Agent on the Company's or such Subsidiary's behalf, under this Agreement or any other Loan Document, it being understood and agreed by the Company that, in any event, the Agent may disclose such information to the Lenders and each Lender may make disclosures thereof to the extent such information (i) was or becomes generally available to the public other than as a result of disclosure by the Lender, or (ii) was or becomes available on a non-confidential basis from a source other than the Company or any of its Affiliates; *provided that such source is not bound by a confidentiality agreement with the Company known to the Lender; provided, further, that any Lender may disclose such information*

- (a) at the request or pursuant to any requirement of any Governmental Authority or representative thereof to which the Lender is subject (including the NAIC) or in connection with an examination of such Lender by any such authority;
- (b) pursuant to subpoena or other court process;
- (c) when required to do so in accordance with the provisions of any applicable Requirement of Law;
- (d) to the extent reasonably required in connection with any litigation or proceeding to which the Agent or any Lender or their respective Affiliates may be party;
- (e) to the extent reasonably required in connection with the exercise of any remedy hereunder or under any other Loan Document;

(f) to such Lender's independent auditors and other professional advisors on a confidential basis;

(g) to any Participant, Lender or Eligible Assignee, actual or potential; *provided that such Person agrees in writing to keep such information confidential to the same extent required of the Lenders hereunder or on terms no less restrictive than those set forth in this **Section 10.08**; provided, however, that such writing may take the form of a "click-through" agreement;*

(h) as to any Lender or its Affiliate, as expressly permitted under the terms of any other document or agreement regarding confidentiality to which the Company or any Subsidiary is party with such Lender or such Affiliate;

(i) to its Affiliates and to their respective officers, directors, partners, members, employees, legal counsel, independent auditors and other advisors, experts or agents who need to know such information and on a confidential basis (and to other Persons authorized by a Lender or the Agent to organize, present or disseminate such information in connection with disclosures otherwise made in accordance with this **Section 10.08**); *provided that such Affiliates and other Persons are not insurance companies;*

(j) to any other party to this Agreement;

(k) to any pledgee referred to in **Section 10.07(f)** or any direct or indirect contractual counterparty or prospective counterparty (or such counterparty's or prospective counterparty's professional advisor) to any swap or derivative transaction relating to obligations of the Company or any of its Subsidiaries (so long as all parties, including all counterparties and advisors agree to be bound by the provisions of this **Section 10.08** or other provisions at least as restrictive as this **Section 10.08**);

(l) to any rating agency when required by it; *provided that, prior to any disclosure, that such Lender shall instruct such rating agency to and such rating agency shall undertake in writing to preserve the confidentiality of any confidential information relating to the Company or any Subsidiary received by it from the Agent or any Lender; and*

(m) on a confidential basis to the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Loans.

In addition, the Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar services providers to the lending industry, and service providers to the Agent and the Lenders in connection with the administration and management of this Agreement and the other Loan Documents. In the case of confidential information received from the Company or any Subsidiary after the date hereof, such information shall be clearly identified at the time of delivery as confidential. In the case of **clause (b)** and **(c)**, the disclosing party shall give notice of such disclosure to the Company, to the extent not prohibited by any Requirement of Law.

**Section 10.09 Set-off.** In addition to any rights and remedies of the Lenders provided by law, if an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is authorized at any time and from time to time, without prior notice to the Company, any such notice being waived by the Company, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held by, and other indebtedness at any time owing by, such Lender or Affiliate to or for the credit or the account of the Company against any and all Obligations owing to such Lender, now or hereafter existing, irrespective of whether or not the Agent or such Lender shall have made demand under this Agreement or any Loan Document and although

such Obligations may be contingent or unmatured; *provided* that neither any Lender nor any of its Affiliates shall be entitled to exercise any such set off with respect to any trust, tax reserve or payroll account. Each Lender agrees to promptly notify the Company and the Agent after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application.

**Section 10.10 Notification of Addresses, Lending Offices, Etc.** Each Lender shall notify the Agent in writing of any changes in the address to which notices to the Lender should be directed, of addresses of any Lending Office, of payment instructions in respect of all payments to be made to it hereunder and of such other administrative information as the Agent shall reasonably request.

**Section 10.11 Effectiveness; Counterparts; Electronic Signatures.** This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by the Company and the Agent of written notification of such execution and authorization of delivery thereof. This Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile transmission or other electronic transmission (e.g., ".pdf" or ".tif") shall be effective as delivery of a manually executed counterpart hereof.

The electronic copy of the executed Agreement and of any other Loan Document is and shall be deemed an original signature for purposes of this Agreement or such Loan Document, as the case may be. The words "execution," "execute," "signed," "signature," "delivery," and words of like import in or relating to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

**Section 10.12 Survival of Representations and Warranties.** All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Agent and each Lender, regardless of any investigation made by the Agent or any Lender or on their behalf, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

**Section 10.13 Severability.** If any provision of any Loan Document is invalid, illegal or unenforceable in any jurisdiction then, to the fullest extent permitted by law, (i) such provision shall, as to such jurisdiction, be ineffective to the extent (but only to the extent) of such invalidity, illegality or unenforceability, (ii) the other provisions of the Loan Documents shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Lenders in order to carry out the intentions of the parties thereto as nearly as may be possible and (iii) the invalidity, illegality or unenforceability of any such provision in any jurisdiction shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

**Section 10.14 Replacement of Defaulting Lenders and Non-Consenting Lenders.** If any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Company may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without

recourse (in accordance with and subject to the restrictions contained in, and consents required by **Section 10.07**), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that:

- (a) the Agent shall have received the assignment fee specified in **Section 10.07(b)**;
- (b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under **Sections 2.09(c), 3.01, 3.03** and **3.04**) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Company (in the case of all other amounts).

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Company to require such assignment and delegation cease to apply.

No action by or consent of a Defaulting Lender or a Non-Consenting Lender shall be necessary in connection with such assignment, which shall be immediately and automatically effective upon payment of such purchase price. In connection with any such assignment the Company, Agent, such Defaulting Lender or such Non-Consenting Lender and the replacement Lender shall otherwise comply with this **Section 10.14**; *provided* that if such Defaulting Lender or such Non-Consenting Lender does not comply with this **Section 10.14** within one Business Day after the Company's request, compliance with this **Section 10.14** shall not be required to effect such assignment.

**Section 10.15 Governing Law; Jurisdiction; Consent to Service of Process.**

- (a) This Agreement shall be construed in accordance with and governed by the law of the State of New York.
- (b) Each of the parties hereto irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any relevant appellate court, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each party hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State court or, to the extent permitted by law, in such Federal court. Each party hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in any Loan Document shall affect any right that any Lender or the Agent may otherwise have to bring any action or proceeding relating to any Loan Document against the Obligor or its properties in the courts of any jurisdiction.
- (c) Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in **subsection (b)** of this Section. Each party hereto irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such suit, action or proceeding in any such court.

(d) Each party hereto irrevocably consents to service of process in the manner provided for notices in **Section 10.02**. Nothing in any Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

**Section 10.16 Waiver of Jury Trial.** EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS.

**Section 10.17 USA PATRIOT Act Notice.** Each Lender and the Agent (for itself and not on behalf of any Lender) hereby notifies the Company that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies the Obligor, which information includes the name and address of the Obligor and other information that will allow such Lender or the Agent, as applicable, to identify the Obligor in accordance with the Patriot Act.

**Section 10.18 Entire Agreement.** This Agreement, together with the other Loan Documents and any separate agreements with respect to fees payable to the Agent, embodies the entire agreement and understanding among the Company, the Lenders and the Agent and supersedes all prior or contemporaneous agreements and understandings of such Persons, verbal or written, relating to the subject matter hereof and thereof.

**Section 10.19 Independence of Covenants.** All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

**Section 10.20 Obligations Several; Independent Nature of Lenders' Right.** The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or commitment of any other Lender hereunder. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

**Section 10.21 No Fiduciary Duty.** The Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of the Obligor, its stockholders and/or its affiliates. The Obligor agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or

fiduciary or other implied duty between any Lender, on the one hand, and the Obligor, its stockholders or its affiliates, on the other. The Obligor acknowledge and agree that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Obligor, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of the Obligor, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise the Obligor, its stockholders or its Affiliates on other matters) or any other obligation to the Obligor except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of the Obligor, its management, stockholders, creditors or any other Person. The Obligor acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. The Obligor agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Obligor, in connection with such transaction or the process leading thereto.

**Section 10.22 Acknowledgement and Consent to Bail-In of Affected Financial Institutions.** Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-in Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

**Section 10.23 Binding Effect.** This Agreement shall become effective when it shall have been executed by the Company and the Agent and the Agent shall have been notified by each Lender that each such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Company, the Agent, each Lender and their respective successors and assigns.

**Section 10.24 Headings.** Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

[SIGNATURE PAGES FOLLOW ON NEXT PAGE]

**Appendix A**  
**Revolving Commitments**

| <b>Lender</b>                | <b>Revolving Commitments</b> |
|------------------------------|------------------------------|
| KEYBANK NATIONAL ASSOCIATION | \$80,000,000.00              |
| GOLDMAN SACHS BANK USA       | \$50,000,000.00              |
| ROYAL BANK OF CANADA         | \$50,000,000.00              |
| BARCLAYS BANK PLC            | \$35,000,000.00              |
| THE NORTHERN TRUST COMPANY   | \$35,000,000.00              |
| <b>TOTAL</b>                 | <b>\$250,000,000.00</b>      |

## CERTIFICATION

I, Gary C. Bhojwani, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CNO Financial Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ Gary C. Bhojwani  
Gary C. Bhojwani  
Chief Executive Officer

## CERTIFICATION

I, Paul H. McDonough, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CNO Financial Group, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 6, 2024

/s/ Paul H. McDonough  
Paul H. McDonough  
Executive Vice President  
and Chief Financial Officer

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CNO Financial Group, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary C. Bhojwani, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my actual knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Gary C. Bhojwani  
Gary C. Bhojwani  
Chief Executive Officer

May 6, 2024

A signed original of this written statement required by Section 906 has been provided to CNO Financial Group, Inc. and will be retained by CNO Financial Group, Inc. and furnished to the Securities and Exchange Commission upon request.

CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of CNO Financial Group, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul H. McDonough, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my actual knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Paul H. McDonough

Paul H. McDonough  
Executive Vice President  
and Chief Financial Officer

May 6, 2024

A signed original of this written statement required by Section 906 has been provided to CNO Financial Group, Inc. and will be retained by CNO Financial Group, Inc. and furnished to the Securities and Exchange Commission upon request.