

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K/A  
(Amendment No. 1)

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended September 30, 2016  
OR

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: 1-4219

**HRG Group, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of incorporation or organization)  
450 Park Avenue, 29th Floor, New York, NY  
(Address of principal executive offices)

74-1339132  
(I.R.S. Employer Identification No.)  
10022  
(Zip Code)

(212) 906-8555  
(Registrant's telephone number, including area code)  
(Former name, former address and former fiscal year, if changed since last report)

Securities Registered Pursuant to Section 12(b) of the Act:  
Title of Each Class Name of Each Exchange on Which Registered  
Common Stock, \$0.01 par value New York Stock Exchange  
Securities Registered Pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known, seasoned issuer, as defined in Rule 405 of the Securities Act: Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act: Yes  No

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  or No .

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (section 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  or No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer  Accelerated Filer   
Non-accelerated Filer  (Do not check if a smaller reporting company) Smaller reporting company

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

The aggregate market value of the common stock held by non-affiliates of the registrant, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, March 31, 2016, was approximately \$1,498.0 million. For the sole purpose of making this calculation, the term "non-affiliate" has been interpreted to exclude directors and executive officers and other affiliates of the registrant. Exclusion of shares held by any person should not be construed as a conclusion by the registrant, or an admission by any such person, that such person is an "affiliate" of the Company, as defined by applicable securities laws.

There were 200,188,839 shares of the registrant's common stock outstanding as of December 31, 2016.

Documents Incorporated By Reference: None.

## EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A (this “Form 10-K/A”) to the Annual Report on Form 10-K of the Company for the fiscal year ended September 30, 2016, filed with the Securities and Exchange Commission (the “SEC”) on November 23, 2016 (the “Original 10-K”) is being filed solely for the purpose of including the information required by Part III of Form 10-K.

As required by Rule 12b-15, in connection with this Form 10-K/A, the Company’s Principal Executive Officer and Principal Financial Officer are providing Rule 13a-14(a) certifications as included herein.

Except as described above, or otherwise explicitly set forth herein, this Form 10-K/A does not modify or update the disclosures in, or exhibits to, the Original 10-K. Furthermore, this Form 10-K/A does not change any previously reported financial results, nor does it reflect events occurring after the date of the Original 10-K. Information not affected by this Form 10-K/A remains unchanged and reflects the disclosures made at the time the Original 10-K was filed.

## TABLE OF CONTENTS

### PART III

<a href="#">Item 10.</a>	<a href="#">Directors, Executive Officers and Corporate Governance</a>	<a href="#">3</a>
<a href="#">Item 11.</a>	<a href="#">Executive Compensation</a>	<a href="#">8</a>
<a href="#">Item 12.</a>	<a href="#">Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</a>	<a href="#">23</a>
<a href="#">Item 13.</a>	<a href="#">Certain Relationships and Related Transactions, and Director Independence</a>	<a href="#">25</a>
<a href="#">Item 14.</a>	<a href="#">Principal Accounting Fees and Services</a>	<a href="#">27</a>

### PART IV

<a href="#">Item 15.</a>	<a href="#">Exhibits, Financial Statements and Schedules</a>	<a href="#">28</a>
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## PART III

Unless otherwise indicated or the context requires otherwise, in this Form 10-K/A, references to the “Company,” “HRG,” “we,” “us” or “our” refer to HRG Group, Inc. (formerly, Harbinger Group Inc.) and, where applicable, its consolidated subsidiaries; “FGL” refers to Fidelity & Guaranty Life (formerly, Harbinger F&G, LLC) and, where applicable, its consolidated subsidiaries; “Fiscal 2013” refers to the fiscal year ended September 30, 2013; “Fiscal 2014” refers to the fiscal year ended September 30, 2014; “Fiscal 2015” refers to the fiscal year ended September 30, 2015; “Fiscal 2016” refers to the fiscal year ended September 30, 2016; “Fiscal 2017” refers to the fiscal year ending September 30, 2017; “Front Street” refers to Front Street Re (Delaware) Ltd. and, where applicable, its consolidated subsidiaries; “Front Street Cayman” refers to Front Street Re Cayman Ltd. and, where applicable, its consolidated subsidiaries; “HGI Energy” refers to HGI Energy Holdings, LLC and, where applicable, its consolidated subsidiaries; “HGI Funding” refers to HGI Funding, LLC and, where applicable, its consolidated subsidiaries; “Salus” refers to Salus Capital Partners, LLC and, where applicable, its consolidated subsidiaries; and “Spectrum Brands” refers to Spectrum Brands Holdings, Inc. and, where applicable, its consolidated subsidiaries.

### Item 10. *Directors, Executive Officers and Corporate Governance*

#### BOARD OF DIRECTORS

In accordance with our Restated Bylaws (our “Bylaws”), as of the date of this report, our board of directors (our “Board”) consists of eight members. In accordance with our Certificate of Incorporation (as amended, our “Charter”), our Board is divided into three classes (designated as Class I, Class II, and Class III, respectively). As of the date of this report, the three classes are comprised of the directors set forth below. In addition to such directors, Mr. Eugene I. Davis, served as director of the Company and a member of certain committees of the Board from February 2014 to August 2016.

#### Class I Directors - Terms Expiring 2017

**Andrew A. McKnight**, age 39, was appointed as a director of HRG in July 2016. Mr. McKnight currently serves as a Partner and Managing Director at Fortress Investment Group LLC (“Fortress”), which through its affiliated funds, is a significant stockholder of HRG. Prior to joining Fortress in 2005, Mr. McKnight served as a Managing Director at Fir Tree Partners. Prior to joining Fir Tree Partners in 2002, he was in the Leveraged Finance group at Goldman, Sachs & Co. Mr. McKnight currently serves on the Board of Ligado Networks. Mr. McKnight holds a B.A. from the University of Virginia.

**Andrew Whittaker**, age 55, has served as a director of HRG since July 2014. Mr. Whittaker has been the Vice Chairman of Leucadia National Corporation (“Leucadia”), a significant stockholder of HRG, since 2014 and has been Vice Chairman of Jefferies Group LLC (“Jefferies”), a subsidiary of Leucadia, since 2002. Mr. Whittaker has served as a member of the board of directors of Jefferies Finance LLC since 2004. Mr. Whittaker has been a member of the Jefferies Executive Committee for the past 20 years. He was formerly the Co-Head of Investment Banking at Jefferies. Mr. Whittaker has over 28 years of investment banking experience in a broad range of industries. Mr. Whittaker received an M.B.A. from Harvard Business School and a B.A. from Dartmouth College.

#### Class II Directors - Terms Expiring 2018

**Joseph S. Steinberg**, age 72, has served as Chairman of the Board of HRG since December 2014 and as a director of HRG since July 2014. Mr. Steinberg has also served on the board of directors of FGL and Spectrum Brands since February 2015 and March 2015, respectively, each of which is a subsidiary of HRG. Mr. Steinberg is Chairman of the board of directors of Leucadia. He has served as a director of Leucadia since December 1978 and as President from January 1979 until March 1, 2013, when he became the Chairman of the Leucadia board of directors. Mr. Steinberg has served as Chairman of the board of directors of HomeFed Corporation (“HomeFed”) since 1999 and as a HomeFed director since 1998. Mr. Steinberg also serves on the board of directors of Crimson Wine Group, Ltd. Mr. Steinberg has served as a director of Jefferies since April 2008. Mr. Steinberg previously served as a director of Mueller Industries, Inc. from September 2011 to September 2012.

**Curtis A. Glovier**, age 52, has served as a director of HRG since February 2015. Mr. Glovier currently serves as the Chairman and Chief Executive Officer of PENSICO Trust Company, a wholly-owned subsidiary of Opus Bank, a publicly traded bank, and as Senior Executive President, Head of Wealth Services of Opus Bank and as Senior Managing Director in the Merchant Banking division. Mr. Glovier has also served on the board of directors of Opus Bank since September 2010. From May 2007 until July 8, 2016, Mr. Glovier was a Managing Director at Fortress, which through its affiliated funds, is a significant stockholder of HRG. Prior to that, Mr. Glovier served as a Managing Director and Co-Head of the Middle Market Buyout Group at Perseus, LLC. Prior to joining Perseus, LLC in 2000, he was a Managing Director of Nassau Capital. Prior to joining Nassau Capital, Mr. Glovier worked at Goldman, Sachs & Co. in the Mergers & Acquisitions, Structured Finance and Leveraged Buyout groups, and was also a management consultant at The Boston Consulting Group. Mr. Glovier has served as a director of several companies in a variety of industries, including the financial services, branded consumer products, pharmaceutical and alternative energy areas. He formerly served on the board of directors of CarCor Investment Holdings LLC, Omnisure Group, LLC and SNAAC Investors LLC. Mr. Glovier holds a B.A. from Princeton University, a M.Ec. from James Cook University in Australia, and an M.B.A. as a Palmer Scholar from The Wharton School at the University of Pennsylvania.

**David M. Maura**, age 44, has served as a director of HRG since May 2011, and as the Chairman of Spectrum Brands, a subsidiary of HRG, since July 2011, and as the interim Chairman of the board of directors of Spectrum Brands and as one of its directors since June 2010. Mr. Maura served as a Managing Director and Executive Vice President of Investments of HRG from October 2011 until November 2016. Prior to becoming Managing Director and Executive Vice President of Investments at HRG, Mr. Maura was a Vice President and Director of Investments of Harbinger Capital Partners, LLC (“Harbinger Capital”). Prior to joining Harbinger Capital in 2006, Mr. Maura was a Managing Director and Senior Research Analyst at First Albany Capital, where he focused on distressed debt and special situations, primarily in the consumer products and retail sectors. Prior to First Albany, Mr. Maura was a Director and Senior High Yield Research Analyst in Global High Yield Research at Merrill Lynch & Co. Mr. Maura was a Vice President and Senior Analyst in the High Yield Group at Wachovia Securities, where he covered various consumer product, service and retail companies. Mr. Maura began his career at ZPR Investment Management as a Financial Analyst. During the past five years, Mr. Maura has served on the board of directors of Russell Hobbs, Inc. (formerly Salton, Inc.), Applicia Incorporated, and Ferrous Resources Ltd. Mr. Maura received a B.S. in Business Administration from Stetson University and is a CFA charterholder.

**Class III Directors - Terms Expiring 2019**

**Omar M. Asali**, age 46, has served as President and Chief Executive Officer of HRG since March 2015, as President of HRG effective as of October 2011 and as Acting President since June 2011. Mr. Asali has also served as a director of HRG since May 2011. Mr. Asali is responsible for overseeing the day-to-day activities of HRG, including M&A activity and overall business strategy for HRG and HRG’s underlying subsidiaries. Mr. Asali has been directly involved in all of HRG’s acquisitions across all sectors, and he is actively involved in HRG’s management and investment activities. Mr. Asali is also the Vice Chairman of Spectrum Brands and a member of the Board of the Directors of FGL, Front Street Cayman and NZCH Corporation (formerly, Zap.Com Corporation, “NZCH”), each a subsidiary of HRG. Prior to becoming President of HRG, Mr. Asali was a Managing Director and Head of Global Strategy of Harbinger Capital. Prior to joining Harbinger Capital in 2009, Mr. Asali was the co-head of Goldman Sachs Hedge Fund Strategies (“Goldman Sachs HFS”) where he helped manage approximately \$25 billion of capital allocated to external managers. Mr. Asali also served as co-chair of the Investment Committee at Goldman Sachs HFS. Before joining Goldman Sachs HFS in 2003, Mr. Asali worked in Goldman Sachs’ Investment Banking Division, providing M&A and strategic advisory services to clients in the High Technology Group. Mr. Asali previously worked at Capital Guidance, a boutique private equity firm. Mr. Asali began his career working for a public accounting firm. Mr. Asali received an M.B.A. from Columbia Business School and a B.S. in Accounting from Virginia Tech.

**Frank Ianna**, age 67, has served as a director of HRG since April 2013. Mr. Ianna served as director of Sprint Corporation from 2009 until August 2015. Mr. Ianna served as a director of Clearwire Corporation from November 2008 until June 2011 and as a director of Tellabs, Inc. from 2004 until 2013. Mr. Ianna served on the board of trustees of the Stevens Institute of Technology between 1997 and 2007 and as chairman of its subsidiary, Castle Point Holdings, Inc., between 2006 and 2007. Mr. Ianna has also served as a director of a number of private companies and non-profit organizations. Mr. Ianna retired from AT&T, Inc. in 2003 after a 31-year career serving in various executive positions, most recently as President of AT&T Network Services. Mr. Ianna serves as a consultant for McCreight & Company, a consulting company based in Connecticut. Mr. Ianna received his undergraduate degree from the Stevens Institute in Electrical Engineering in 1971 (BEEE), and his Master’s Degree from MIT in 1972 (MSEE) and completed the Program for Management Development (PMD), an Executive Education Program of the Harvard Business School in 1985.

**Gerald Luterman**, age 73, has served as a director of HRG since April 2013. Mr. Luterman has been a director of Florida Community Bank since January 2010. Mr. Luterman has served as a director of a number of private companies and non-profit organizations. Mr. Luterman was Interim Chief Financial Officer of NRG Energy, Inc. (“NRG”) from November 2009 through May 2010. Mr. Luterman was Executive Vice President and Chief Financial Officer of KeySpan Corporation from August 1999 to September 2007. Mr. Luterman has more than 30 years of experience in senior financial positions with companies including American Express Company, Booz Allen & Hamilton, Inc., Emerson Electric Company and Arrow Electronics. Mr. Luterman also served as a director of NRG from April 2009 to 2014, IKON Office Solutions, Inc. from November 2003 until August 2008 and U.S. Shipping Partners L.P. from May 2006 until November 2009. Mr. Luterman previously qualified as a Canadian Chartered Accountant and graduated from McGill University in Montreal, earning a Bachelor of Commerce Degree in Economics in 1965 and an M.B.A. from Harvard Business School in 1967.

**EXECUTIVE OFFICERS**

The following sets forth certain information with respect to the executive officers of the Company as of the date of this report. All officers of the Company serve at the discretion of our Board.

<b>Name</b>	<b>Position</b>
Omar M. Asali*	Director, Chief Executive Officer and President
George C. Nicholson	Senior Vice President, Chief Accounting Officer and Chief Financial Officer

\* For more information regarding Mr. Asali, see “Board of Directors” above.

**George C. Nicholson**, age 58, has served as Senior Vice President and Chief Accounting Officer of HRG since November 2015. On January 20, 2017, Mr. Nicholson was appointed as Chief Financial Officer of the Company. Mr. Nicholson served as Acting Chief Financial Officer from January 4, 2016 to January 20, 2017. Mr. Nicholson also serves as a director and Senior Vice President, Chief Accounting Officer and Acting Chief Financial Officer of NZCH. Previously, Mr. Nicholson was employed by HGI Asset Management Holdings, LLC, a subsidiary of HRG, from May 2013 to November 2015. Mr. Nicholson served as Vice President and Controller of Fidelity & Guaranty Life Insurance Company, a subsidiary of FGL (“FGL Insurance”) from August 2007 through May 2013. Prior to joining FGL Insurance, Mr. Nicholson served as Chief Accounting Officer of Capital Bank Corporation from September 2005 to August 2007 and previously held executive positions at Nationwide Mutual Insurance Company and London Pacific Life & Annuity Company. Mr. Nicholson spent 10 years with Ernst & Young ending as a Senior Manager specializing in the energy and financial services industry. Mr. Nicholson is a Certified Public Accountant and holds an M.B.A. degree from the University of Kentucky and a B.B.A. degree from Eastern Kentucky University.

#### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934 (as amended, the “Exchange Act”) requires our directors, executive officers, and the persons who beneficially own more than 10% of the common stock, par value \$0.01 per share, of the Company (the “Common Stock”) and securities convertible into shares of Common Stock (together with the Common Stock, “Subject Shares”), to file with the SEC initial reports of ownership and reports of changes in ownership of Subject Shares. Directors, officers and greater than 10% beneficial owners of the Subject Shares are required by the SEC’s regulations to furnish us with copies of all forms they file with the SEC pursuant to Section 16(a) of the Exchange Act. Based solely on the reports filed with the SEC, we believe that these persons have complied with all applicable filing requirements during Fiscal 2016.

#### **CORPORATE GOVERNANCE**

In accordance with the New York Stock Exchange Listed Company Manual (the “NYSE Rules”), a majority of our Board is comprised of independent directors and we have an Audit Committee (“Audit Committee”), a Compensation Committee (“Compensation Committee”) and a Nominating and Corporate Governance Committee (“NCG Committee”), each of which have written charters addressing each such committee’s purpose and responsibilities and are comprised entirely of independent directors.

#### **Corporate Governance Guidelines and Code of Ethics and Business Conduct**

Our Board has adopted Corporate Governance Guidelines to assist it in the exercise of its responsibilities. These guidelines reflect our Board’s commitment to monitor the effectiveness of policy and decision making both at our Board and management level, with a view to enhancing stockholder value over the long term. The Corporate Governance Guidelines address, among other things, our Board and Board committee composition and responsibilities, director qualifications standards and selection of the Chairman of our Board and our Chief Executive Officer.

Our Board has adopted a Code of Business Conduct and Ethics for Directors, Officers and Employees and a Code of Ethics for Chief Executive and Senior Financial Officers to provide guidance to all of our directors, officers and employees, including our principal executive officer, principal accounting officer or controller or persons performing similar functions. Our Board has adopted a corporate governance policy prohibiting our directors and executive officers from (i) hedging the economic risk associated with the ownership of our Common Stock, or (ii) pledging our Common Stock, unless, in each case, first pre-approved by our General Counsel. Our Board has also adopted an equity retention policy for the Company’s senior management and our non-executive Directors.

#### **Director Independence**

Our Board has determined that Messrs. Glovier, Ianna, Luterman, McKnight, Steinberg and Whittaker, each a non-management director, qualify as independent directors under our Corporate Governance Guidelines and the NYSE Rules. Under our Corporate Governance Guidelines and the NYSE Rules, no director qualifies as independent unless our Board affirmatively determines that the director has no material relationship with HRG. Based upon information requested from and provided by each director concerning their background, employment and affiliations, our Board has determined that each of the independent directors named above has no material relationship with HRG, nor has any such person entered into any material transactions or arrangements with HRG or its subsidiaries, and is therefore independent under the NYSE Rules. In making such determination, our Board considered a variety of factors, including certain ordinary course of business transactions from time to time between us and certain entities affiliated with non-management directors, and determined that our non-management directors qualify as independent directors under our Corporate Governance Guidelines and the NYSE Rules.

#### **Meetings of Independent Directors**

We generally hold executive sessions at each Board and committee meeting. The Chairman of our Board presides over executive sessions of the entire Board and the chairman of each committee presides over the executive session of that committee.

## **Board Structure and Risk Oversight**

Mr. Steinberg serves as the Chairman of our Board and Mr. Asali serves as a member of our Board and our President and Chief Executive Officer. Mr. Asali is responsible for overseeing the day-to-day activities of the Company, including M&A activity and overall business strategy for the Company and its subsidiaries.

Our management is responsible for understanding and managing the risks that we face in our business, and our Board is responsible for overseeing management's overall approach to risk management. Our Board receives, reviews and discusses reports on the operations of our businesses from members of management and members of management of our subsidiaries as appropriate. Our Board also fulfills its oversight role through the operations of our NCG Committee, Audit Committee and Compensation Committee. Our Audit Committee is responsible for oversight of corporate finance and financial reporting-related risks, including those related to our accounting, auditing and financial reporting practices. Our Compensation Committee is responsible for the oversight of our compensation policies and practices, including conducting annual risk assessments of our compensation policies and practices. Our NCG Committee is responsible for assisting our Board with reviewing and making recommendations to our Board regarding our overall corporate governance, including board and committee composition, board nominees, size and structure and director independence, our corporate governance profile and ratings, and our political participation and contributions.

## **Governance Documents Availability**

We have posted our Corporate Governance Guidelines, Code of Business Conduct and Ethics for Directors, Officers and Employees, Code of Ethics for Chief Executive and Senior Financial Officers, Audit Committee Charter, Compensation Committee Charter and NCG Committee Charter on our website under the heading "Corporate Governance" at [www.HRGgroup.com](http://www.HRGgroup.com). We intend to disclose any amendments to, and, if applicable, any waivers of, these governance documents on that section of our website. These governance documents are also available in print without charge to any stockholder of record that makes a written request to HRG. Inquiries must be directed to the Investor Relations Department at HRG Group, Inc., 450 Park Avenue, 29th floor, New York, New York 10022.

## **INFORMATION ABOUT COMMITTEES OF THE BOARD OF DIRECTORS**

Our Audit Committee, Compensation Committee and NCG Committee were our Board's standing committees during Fiscal 2016. Our Board held 25 meetings during Fiscal 2016. In addition, a special committee of the independent directors of our Board operated on an ad hoc basis during Fiscal 2016.

### **Audit Committee**

As of the date hereof, our Audit Committee is composed of Messrs. Luterman (Chairman), Glovier and Ianna. Our Board determined that all members of our Audit Committee qualify as independent under applicable SEC rules (including Exchange Act rule 10A-3), NYSE Rules and the Company's Corporate Governance Guidelines. Messrs. Luterman and Ianna also qualify as "audit committee financial experts" as defined by Item 407(d)(5)(ii) of Regulation S-K. Messrs. Luterman and Ianna were members of the Audit Committee for the entirety of Fiscal 2016. Mr. Glovier was appointed as a member of our Audit Committee in August 2016 and Mr. Davis, a former HRG director, served as a member of the Audit Committee until August 2016. Our Audit Committee held five meetings during Fiscal 2016.

Our Audit Committee has been delegated the authority to, among other things, (i) appoint and replace the independent auditor; (ii) determine the compensation and oversight of the independent auditor; (iii) pre-approve all auditing services and permitted non-audit services, including the fees and terms thereof, to be performed for the Company by its independent auditor; (iv) provide oversight with respect to the Company's internal control and procedures; and (v) prepare any reports required by law to be prepared by the Audit Committee. Our Audit Committee operates under, and has the responsibility and authority set forth in, the written charter adopted by our Board, which can be viewed on our website, [www.HRGgroup.com](http://www.HRGgroup.com), under the heading "Corporate Governance."

### **Compensation Committee**

As of the date hereof, our Compensation Committee is composed of Messrs. Ianna (Chairman), Glovier, Luterman, McKnight and Steinberg. Messrs. Ianna, Glovier, Luterman and Steinberg were members of the Compensation Committee for the entirety of Fiscal 2016. Mr. McKnight was appointed as a member of the Compensation Committee in July 2016 and Mr. Davis, a former HRG director, served as a member of the Compensation Committee until August 2016. Our Board determined that all members of our Compensation Committee qualify as independent under applicable SEC rules, NYSE Rules and the Company's Corporate Governance Guidelines. Our Compensation Committee held 10 meetings during Fiscal 2016.

Our Compensation Committee has been delegated the authority to, among other things, (i) review and recommend to our Board corporate goals and objectives relevant to our executive officer compensation and recommend to our Board the compensation level of our executive officers; (ii) make recommendations to our Board with respect to executive officer compensation and benefits, including incentive-compensation and equity-based plans for executive officers; (iii) review and recommend to our Board any employment agreements or severance or termination arrangements to be made with any of our executive officers; and (iv) review

and discuss with management our compensation discussion and analysis disclosure and compensation committee reports in order to comply with our public reporting requirements. Our Compensation Committee operates under, and has the responsibility and authority set forth in, the written charter adopted by our Board, which can be viewed on our website, [www.HRGgroup.com](http://www.HRGgroup.com), under the heading “Corporate Governance.”

### **NCG Committee**

As of the date hereof, our NCG Committee is composed of Messrs. Ianna (Chairman), Glovier, Luterman, McKnight and Steinberg. Messrs. Ianna, Glovier, Luterman and Steinberg were members of the NCG Committee for the entirety of Fiscal 2016. Mr. McKnight was appointed as a member of our NCG Committee in July 2016 and Mr. Davis, a former HRG director, served as a member of the NCG Committee until August 2016. Our Board determined that all members of our NCG Committee qualify as independent under applicable SEC rules, NYSE Rules and the Company’s Corporate Governance Guidelines. Our NCG Committee held two meetings during Fiscal 2016.

Our NCG Committee has been delegated the authority to, among other things, (i) develop and recommend to our Board for approval the criteria for Board membership and identify individuals qualified to become members of our Board; (ii) as directed by our Board from time to time, either select or recommend to our Board for selection director nominees for the next annual meeting of stockholders or to fill vacancies on our Board; (iii) assist the Board in determining whether individual directors have material relationships with our Company that may interfere with their independence; and (iv) develop, review and assess at least annually the adequacy of the Company’s corporate governance principles and guidelines, the Board’s and management’s review of the Company’s risk oversight process, and make recommendations to the Board as the NCG Committee deems appropriate. Our NCG Committee operates under, and has the responsibility and authority set forth in, the written charter adopted by our Board, which can be viewed on our website, [www.HRGgroup.com](http://www.HRGgroup.com), under the heading “Corporate Governance.”

**Item 11. Executive Compensation**

**COMPENSATION DISCUSSION AND ANALYSIS**

This section provides an overview and analysis of our compensation program and policies, the material compensation decisions made under those programs and policies, and the material factors considered in making those decisions. The discussion below is intended to help you understand the detailed information provided in our executive compensation tables and put that information into context within our overall compensation program. The series of tables following this Compensation Discussion and Analysis provides more detailed information concerning compensation earned or paid in Fiscal 2016, Fiscal 2015 and Fiscal 2014 for the following individuals (each a “named executive officer” during Fiscal 2016):

- Omar M. Asali, a Director, our President and Chief Executive Officer;
- David M. Maura, a Director, and our former Managing Director and Executive Vice President of Investments;
- George Nicholson, our Senior Vice President, Chief Financial Officer and Chief Accounting Officer; and
- Thomas A. Williams, our former Executive Vice President and Chief Financial Officer.

As previously disclosed, Mr. Williams’ employment with the Company terminated on January 1, 2016, which was prior to the completion of Fiscal 2016; Mr. Maura’s employment with the Company terminated on November 28, 2016, which was after the completion of Fiscal 2016; and it is expected that Mr. Asali’s employment with the Company will cease in Fiscal 2017.

**Executive Summary**

*Highlights for Fiscal 2016*

During Fiscal 2016, we executed on a number of strategic initiatives, including:

- At HRG, during Fiscal 2016 we increased our “Net Asset Value” (as defined below) from both the beginning of Fiscal 2016 and the end of Fiscal 2014, which are discussed further below. We believe that Net Asset Value is a good proxy for creation of value for the Company and its stockholders.
- At HRG, simplifying our corporate structure by selling our remaining interest in Compass Production Partners, L.P. (“Compass”), selling our remaining 51.0% interest in CorAmerica Capital, LLC (“CorAmerica”), winding down the operations of Energy & Infrastructure Capital, LLC and progressing the wind down of Salus.
- At Spectrum Brands, refinancing a portion of its indebtedness to extend maturities and reduce borrowing costs by issuing €425.0 million aggregate principal amount of 4.00% notes due 2026 and using the proceeds to repay a portion of the amounts outstanding on the 6.375% notes due 2020 and amending its credit agreement.
- At Spectrum Brands, integrating the recent acquisition of the Global Auto Care business and realizing synergies through a series of initiatives to consolidate certain operations and reduce operating costs, including the exit of certain facilities.
- At FGL, continuing to pursue the closing of the merger with Anbang Insurance Group Co., Ltd. and FGL.
- At Salus, recovering \$45.4 million on the loan to a significant borrower in default, exceeding the previous estimate of recovery and reversing \$18.0 million of previously recorded allowance for bad debt.
- At HGI Energy, completing the sale of the Holly, Waskom and Danville assets for a total cash consideration of \$153.4 million and using the proceeds primarily to reduce Compass’ borrowings under its credit facility.
- At HGI Energy, completing the sale of our equity interests in Compass to a third party for a cash purchase price of \$145.0 million with the proceeds received reduced by the outstanding balance of Compass’ existing credit facility of \$125.2 million.

The foregoing is a highlight summary of only certain of HRG’s performance measures as of the end of Fiscal 2016. For a more complete understanding and evaluation of the business and financial results of the Company and its subsidiaries, you are encouraged to read the Company’s other reports filed with the SEC.

*Summary of Sound Governance Features of our Compensation Programs for Fiscal 2016*

Listed below are some of the Company’s more significant practices and policies that were in effect during Fiscal 2016, which were adopted to drive performance and to align our executives’ interests with those of our stockholders. Our compensation programs, practices and policies are reviewed and re-evaluated periodically, and are subject to change from time to time and at any time.



#### *What We Did For Fiscal 2016*

- **Pay for Performance Philosophy:** We designed our Fiscal 2016 executive compensation programs to pay for performance and a significant portion of our executives' compensation was not guaranteed. Target compensation was established for our executive officers at the beginning of Fiscal 2016 by our Compensation Committee and our named executive officers had an opportunity to earn actual compensation that varied from target, based on achievement against pre-established performance targets. The variable component of our compensation program was designed to reward performance and contribution to our corporate and financial objectives.
- **Independent Executive Compensation Consultants:** During Fiscal 2016, our Compensation Committee worked with Hodak Value Advisors ("Hodak"), its independent executive compensation consultant, and separate outside counsel, as it determined appropriate.
- **Mitigation of Undue Risk:** Our Fiscal 2016 compensation program had provisions to mitigate undue risk, including mechanisms that were designed to be partially subject to forfeiture (see "Clawback Policy," "Malus Provision" and "Subsequent Events After Fiscal 2016 Year End" below) and related target performance for Fiscal 2016 to past performance.
- **Clawback Policy:** Our equity awards allow the Company to recover payouts in the event that recoupment is required by applicable law (including pursuant to Sarbanes-Oxley and the Dodd-Frank Wall Street Reform and Consumer Protection Act) or a participant receives for any reason any amount in excess of what should have been received (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error).
- **Malus Provision:** Our Fiscal 2016 annual bonus program provided for an automatic deferral of payouts in excess of two times the target bonus pool and deferred cash compensation from prior years was subject to reduction if the Company did not meet certain specified performance criteria in Fiscal 2016. For Fiscal 2016, the Company satisfied the applicable performance criteria and, as a result the Malus provisions of our 2016 annual bonus program were not applicable (see "How We Determine Each Element of Compensation" and "Subsequent Events After Fiscal 2016 Year End").
- **Negative Discretion and Other Reductions:** Our Fiscal 2016 annual bonus program provided our Compensation Committee with the right to exercise negative discretion to reduce awards under the bonus plan.
- **Award Caps:** Amounts that could be earned under our Fiscal 2016 annual bonus program by any individual were capped at \$20 million per year ("Award Cap").
- **Equity Retention:** We maintain an equity retention policy for senior management, requiring each member of senior management to retain ownership of at least 25% of his or her covered shares, net of taxes and transaction costs, until the earlier of (i) the date of such senior management member's termination of employment with the Company or (ii) the date such person is no longer a member of senior management.

#### *What We Did Not Do for Fiscal 2016*

- **No 280G or Section 409A Excise Tax Gross-Ups:** We do not provide "gross-ups" for any taxes imposed with respect to Section 280G (change of control) or Section 409A (nonqualified deferred compensation) of the Internal Revenue Code.
- **No Pensions or Supplemental Pensions:** Our named executive officers are not provided with pension or supplemental executive retirement plans.
- **No Single-Trigger Equity Acceleration:** In Fiscal 2016, we did not provide our named executive officers "single-trigger" equity vesting upon a change of control of the Company.
- **No Repricing of Underwater Stock Options without Stockholder Approval:** We do not lower the exercise price of any outstanding stock options, unless stockholders approve this.
- **No Discounted Stock Options:** The exercise price of our stock options is not less than 100% of the fair market value of our Common Stock on the date of grant.
- **No Unauthorized Hedging or Pledging:** Our Board has adopted a corporate governance policy prohibiting our directors and executive officers from (i) hedging the economic risk associated with the ownership of our Common Stock and (ii) pledging our Common Stock, unless, in each case, first pre-approved by our General Counsel.

## **Compensation Philosophy and General Objectives**

For Fiscal 2016, our executive compensation philosophy was focused on pay for performance and was designed to reflect appropriate governance practices aligned with the needs of our business. We granted target levels of compensation that were designed to attract and retain employees who are able to meaningfully contribute to our success. Our Compensation Committee considered several factors in designing target levels of compensation, including, but not limited to, historical levels of pay for each executive, actual turnover in the executive ranks, market data on the compensation of executive officers at similar companies, and its judgment about retention risk with regards to each executive relative to their importance to the Company. In reviewing market data, our Compensation Committee reviewed the total compensation of executives in the same or similar positions in an appropriate market comparison group, which includes business development or private equity companies, adjusting the total compensation observed at these peers for their size relative to the Company. The peer group consisted of the same seventeen companies from Fiscal 2015: American Capital, Ltd., Apollo Global Management, LLC, Blackstone Group LP, Capital Southwest Corp, Carlyle Group, Compass Diversified Holdings, Harris & Harris Group, Hercules Tech Growth Cap, Icahn Enterprises, KKR, Kohlberg Capital Corp, Leucadia, Loews Corp, Main Street Capital Corp, MCG Capital Corp, Safeguard Scientifics Inc. and Triangle Capital Corp. The Compensation Committee does not use market data to target specific components of total compensation, such as salary or bonuses, and instead determines the target total level of compensation necessary to be competitive for each executive in the relevant market for that executive's talent.

## **Components of Executive Compensation**

Our Fiscal 2016 compensation program generally had three basic elements: salary, incentive compensation and other benefits. Salary and benefits are designed to aid in the retention of our employees. Incentive compensation generally consists of bonuses for individual and company performance, and may be awarded as cash or equity. Equity awards will typically be vested over a period of years to enhance both retention and alignment of interests.

We believe that the various components of our executive compensation program are effective in attracting and retaining our employees and providing a strong alignment of their interests with those of our stockholders. Although each element of compensation described below is considered separately, our Compensation Committee makes its determinations regarding each individual component of the compensation program in the context of the aggregate effect on total compensation for each named executive officer.

The principal elements of compensation for our named executive officers in Fiscal 2016 were:

- base salary;
- variable compensation potential consisting of cash and equity payouts; and
- limited benefits.

## **How We Determine Each Element of Compensation**

Our Compensation Committee is responsible for our executive compensation program design and administration, including a review of our compensation programs and evaluation of management performance and awards consistent with our bonus plan. In Fiscal 2016, our Compensation Committee was advised by Hodak, its independent executive compensation firm, and separate outside counsel, as it deemed appropriate.

In light of SEC rules and NYSE Rules, our Compensation Committee considered the independence of its compensation consultant, including assessment of the following factors: (i) other services provided to the Company by the consultant; (ii) fees paid as a percentage of the consulting firm's total revenue; (iii) policies or procedures maintained by the consulting firm that are designed to prevent a conflict of interest; (iv) any business or personal relationships between the individual consultants involved in the engagement and any member of our Compensation Committee; (v) any Company stock owned by the individual consultants involved in the engagement; and (vi) any business or personal relationships between our executive officers and the consulting firm or the individual consultants involved in the engagement. Our Compensation Committee has concluded that no conflict of interest exists that would prevent our compensation consultant from independently representing our Compensation Committee.

### *Base Salary*

The base salary of our named executive officers is intended to provide a level of fixed compensation that contributes to the attraction or retention of our named executive officers. For Fiscal 2016, our Compensation Committee determined that the base salaries provided to our named executive officers represented an appropriate level of fixed compensation relative to each such named executive officer's respective target total compensation, which varies by position in accordance with each such executive officer's job responsibilities and contributions to our Company.

### *Annual Bonus Plan*

For Fiscal 2016, Messrs. Asali and Maura were eligible to participate in the bonus plan established by the Compensation Committee (the "2016 Bonus Plan"). The 2016 Bonus Plan provided for annual bonuses to be comprised of two components. The first component was an individual bonus (the "individual bonus") based on the achievement of personal performance goals and the

second component was a corporate bonus (the “corporate bonus”) based on the achievement of corporate performance measured in terms of the change in the Company’s “Net Asset Value” (as defined below) from the beginning of the Company’s fiscal year to the end of the Company’s fiscal year end (“NAV Return”), in excess of a threshold NAV Return, which for Fiscal 2016 was set at \$230.7 million (the “Fiscal 2016 Threshold NAV Return”), which represented a seven percent (7%) increase from the Company’s NAV in Fiscal 2014. Because the Company’s NAV Return was negative in Fiscal 2015, the 2016 Bonus Plan required that the NAV Return exceed the Company’s NAV Return for Fiscal 2014. In Fiscal 2016, the Company produced a NAV Return of \$663.8 million. The 2016 Bonus Plan provided that 12% of the excess of the NAV Return for Fiscal 2016 over the Fiscal 2014 NAV Return would be allocated to fund the corporate bonus pool for bonuses to Mr. Asali, Mr. Maura and certain other key employees. For Messrs. Asali and Maura, for Fiscal 2016, 85% of their target annual bonus was the corporate bonus (based on NAV Return) and 15% was the individual bonus based on performance of individual goals. The performance goals for the individual bonus were determined by our Compensation Committee on an individual basis. Participants could earn between 0 and 200% of their individual target bonus based on achievement of the individual performance goals.

NAV Return is believed to be a good proxy for creation of value for the Company and its stockholders because it encourages, among other things, the generation of cash flow by the Company’s subsidiaries and transactions resulting in appreciation of the assets of the Company and its subsidiaries. If in Fiscal 2016, the Company had not produced a NAV Return greater than \$230.7 million, no corporate bonuses would have been earned.

For the purpose of the foregoing calculation, the Company’s “Net Asset Value” is generally calculated by (i) starting with the value of the Company’s “Net Asset Value,” as such term is defined in the Company’s Certificate of Designation of Series A Participating Convertible Preferred Stock of the Company dated as of May 12, 2011 (the “Preferred Stock Certificate”), (ii) then subtracting from such amount the Company’s deferred tax liabilities, (iii) then adding to such amount the Company’s capital contributions to fund start-up businesses, which is subject to a \$20 million cap, (iv) then adding to such amount the Company’s deferred financing costs, (v) then adding to such amount the value of the Company’s assets that have not been appraised, which is subject to a \$50 million cap, (vi) then eliminating the effect of any increase in legacy liabilities associated with our predecessor entity, Zapata Corporation and its subsidiaries, (vii) then adding to such amount expenses incurred in connection with completing any acquisitions by the Company within the past twelve months, and (viii) excluding any accretion on preferred stock (calculated in the manner contained in the Preferred Stock Certificate).

For Fiscal 2016, our Compensation Committee established only objective performance goals for Mr. Asali’s individual bonus, which were (i) receipt of \$51 million of dividends and other sources of cash, (ii) identify two companies that are undervalued with attractive financial or strategic characteristics that meet or exceed investment committee criteria, and (iii) meet or exceed all debt covenants.

For Fiscal 2016, our Compensation Committee established only objective performance goals for Mr. Maura’s individual bonus, which were (i) Spectrum Brands’ achievement of \$925 million of adjusted EBITDA (as defined below), (ii) Spectrum Brands’ achievement of \$500 million of adjusted free cash flow and (iii) receipt of \$45 million of dividends by the Company from Spectrum Brands. For the purposes of Mr. Maura’s performance measure, “adjusted EBITDA” was defined as reported operating income plus certain defined add-backs for depreciation, amortization, acquisition, integration and restructuring related charges.

Based on the strong corporate and individual performance during Fiscal 2016, Messrs. Asali and Maura each would have been eligible to receive a bonus at approximately the Award Cap under the 2016 Bonus Plan. Notwithstanding the foregoing, as further described below in the Section titled “Subsequent Events After Fiscal 2016 Year End”, in connection with certain changes in the strategic objectives and direction of the Company, the Company and Messrs. Asali and Maura mutually agreed in November 2016 to enter into alternative arrangements with the Company. As a result, instead of compensation pursuant to the 2016 Bonus Plan, Messrs. Asali and Maura received compensation for Fiscal 2016 pursuant to such arrangements. For further details on the bonus amounts paid to Messrs. Asali and Maura for Fiscal 2016, see the section titled “Subsequent Events After Fiscal 2016 Year End” and the “Summary Compensation Table”.

Mr. Nicholson did not participate in the 2016 Bonus Plan, but instead, pursuant to his employment agreement with the Company was eligible to receive a bonus target amount equal to \$275,000, subject to his achievement of performance goals.

Mr. Williams did not participate in the 2016 Bonus Plan given that his employment with the Company terminated prior to the end of Fiscal 2016.

#### *Initial Long Term Equity Grant*

Historically, we grant service-based initial long term equity to our named executive officers when our Compensation Committee or Board determines that it would be to the advantage and in the best interests of the Company and its stockholders to grant such equity, as an inducement to enter into or remain in the employ of the Company or as an incentive for increased efforts during such employment. No initial long term equity grants were made to our named executive officers in Fiscal 2016.

#### *Benefits*

During Fiscal 2016, we provided our named executive officers with standard medical, dental, vision, disability and life insurance benefits available to employees generally.

We limit the use of perquisites as a method of compensation and provide executive officers with only those perquisites that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain superior employees for key positions. In this regard, our named executive officers are eligible to participate in a flexible perquisite account under our FlexNet Program, which permits them to be reimbursed for certain eligible personal expenses, up to a per year cap of \$50,000 for Messrs. Asali, Maura and Williams and \$25,000 for Mr. Nicholson. Eligible expenses include, but are not limited to, reimbursement for tax preparation, legal services, education programs, health and wellness programs, technology and personal computers, wills and estate planning services and transportation services. Participants are responsible for payment of taxes on FlexNet payments. Reimbursements, at participants' elections, can be net of taxes and/or include an estimated tax payment, subject to the annual maximum reimbursement cap. Further, we may provide from time to time in our discretion reimbursement for other employment related expenses. The perquisites provided to the named executive officers are quantified in the Summary Compensation Table below.

We sponsor a 401(k) Retirement Savings Plan (the "401(k) Plan") in which eligible participants may defer a fixed amount or a percentage of their eligible compensation, subject to limitations. In Fiscal 2016, we made discretionary matching contributions of up to 5% of eligible compensation.

#### **HRG Subsidiary and Affiliate Fees**

During Fiscal 2016, certain of our employees provided certain services to certain of our subsidiaries and were compensated for such services during Fiscal 2016. At the discretion of our Compensation Committee, compensation such persons are otherwise entitled to receive from the Company may be reduced by all, none or a portion of the compensation received from our subsidiaries. During Fiscal 2016, Mr. Asali received director fees from Spectrum Brands and FGL in the form of equity, which was valued by our Compensation Committee at \$383,092 and compensation that Mr. Asali was entitled to receive from HRG in Fiscal 2016 was reduced by such amount. On January 20, 2016, Mr. Maura and the Company entered into a Subsidiary Service Agreement (the "Services Agreement"). Separately, on January 20, 2016, Mr. Maura and Spectrum Brands entered into an employment agreement ("SPB Agreement"). Pursuant to the SPB Agreement, in addition to Mr. Maura's continuing role as an employee and director of the Company, Mr. Maura also serves as the Executive Chairman of the board of directors of Spectrum Brands. Pursuant to the Services Agreement, the Company and Mr. Maura agreed to reduce certain compensation that Mr. Maura has received or will receive from the Company by compensation that Mr. Maura has received or will receive from Spectrum Brands in the future. In connection with entering into the SPB Agreement, in February 2016, Spectrum Brands granted to Mr. Maura fully vested shares of Spectrum Brands common stock valued at \$6,000,000 on the date of the grant (the "Initial Equity Grant"). Mr. Maura's Fiscal 2016 compensation from HRG was reduced by the Initial Equity Grant and by (i) an annual bonus granted by Spectrum Brands to Mr. Maura valued at \$1,243,312, (ii) an annual equity award granted by Spectrum Brands to Mr. Maura valued at \$3,000,000 (iii) an equity award granted by Spectrum Brands to Mr. Maura valued at \$4,500,000 and (iv) the director fees granted by Spectrum Brands to Mr. Maura valued at \$101,607. For further details, see the Spectrum Brands Definitive Proxy Statement filed on December 21, 2016. In addition, pursuant to the Services Agreement, Mr. Maura no longer receives a base salary from the Company while he receives a base salary from Spectrum Brands, and as of April 20, 2016, no longer participated in the Company's benefit plans (except for the Company's FlexNet program). The Subsidiary Services Agreement was terminated in connection with the Maura Separation and Release Agreement (as defined below) because Mr. Maura became a full time employee of Spectrum Brands.

#### **Risk Review**

Our Compensation Committee reviewed, analyzed and discussed the incentives created by our 2016 Bonus Plan. Our Compensation Committee does not believe that any aspect of our 2016 Bonus Plan encouraged our named executive officers to take unnecessary or excessive risks. Our 2016 Bonus Plan had provisions to mitigate undue risk, including clawbacks and the use of negative discretion.

#### **Compensation in Connection with Termination of Employment and Change-In-Control**

In determining our employees' compensation packages, our Compensation Committee recognizes that an appropriate incentive in attracting talent is to provide reasonable protection against loss of income in the event the employment relationship terminates without fault of the employee. Thus, compensation practices in connection with termination of employment generally have been designed to achieve our goal of attracting highly qualified executive talent. During Fiscal 2016, Messrs. Asali, Maura and Nicholson had employment agreements which provided for termination compensation in the form of payment of bonuses and salary and benefit continuation ranging from six to twenty-four months following involuntary termination of employment. During Fiscal 2016, our compensation programs did not provide for any "golden parachute" tax gross-ups to any named executive officer. During Fiscal 2016, we also did not provide any of our named executive officers any "single-trigger" payments due to the occurrence of a change of control of the Company.

In connection with the termination of Mr. Williams' employment on January 1, 2016, and pursuant to the Retention and Release Agreement, dated August 6, 2015 between the Company and Mr. Williams, Mr. Williams received certain payments and benefits upon his termination of employment, as described under the heading "Compensation and Benefits - Summary Compensation Table."

In addition, as described more fully under the Section titled “Subsequent Events After Fiscal 2016 Year End”, the Company entered into a transition agreement with Mr. Asali and a separation agreement with Mr. Maura in November 2016 that, among other things, provides Messrs. Asali and Maura with certain payments upon termination of employment.

You can find additional information regarding our practices in providing compensation in connection with termination of employment to our named executive officers under the heading “Payments Upon Termination and Change of Control” below.

### **Impact of Tax Considerations**

With respect to taxes, Section 162(m) of the Internal Revenue Code imposes a \$1 million limit on the deduction that a company may claim in any tax year with respect to compensation paid to each of its Chief Executive Officer and three other named executive officers (other than the Chief Financial Officer), unless certain conditions are satisfied. Certain types of performance-based compensation are generally exempted from the \$1 million limit. Performance-based compensation can include income from stock options, performance-based restricted stock, and certain formula driven compensation that meets the requirements of Section 162(m). In structuring the compensation for our named executive officers our Compensation Committee will review a variety of factors including the deductibility of such compensation under Section 162(m), to the extent applicable. However, this is not the driving or most influential factor. Our Compensation Committee has approved, and is expected to approve in the future, non-deductible compensation arrangements and specifically reserves the right to do so.

### **Advisory Vote on Executive Compensation**

Our Compensation Committee and our Board considered the results of our stockholder vote regarding the non-binding resolution on executive compensation presented at the 2014 Annual Meeting, where 91.16% of votes cast approved the compensation program described in the Company’s proxy statement for the 2014 Annual Meeting. Our Compensation Committee and our Board have continued to maintain a generally similar compensation philosophy.

At the 2014 Annual Meeting, a majority of our stockholders approved, as recommended by our Board, a proposal for our stockholders to be provided with the opportunity to cast a non-binding advisory vote on compensation of our named executive officers every three years. Our Board believed that this frequency is appropriate as a triennial vote would provide the Company with sufficient time to engage with stockholders to understand and respond to the “say-on-pay” vote results and to put in place any changes to the Company’s compensation program as a result of such discussions, if necessary. The next stockholder advisory (non-binding) vote on executive compensation as well as a vote on the frequency of the say-on-pay vote will be held at our upcoming 2017 Annual Meeting.

### **Subsequent Events After Fiscal 2016 Year End**

As described further below, following the completion of Fiscal 2016, the Company entered into a Transition Agreement with Mr. Asali and a Separation and Release Agreement with Mr. Maura. It is expected that Mr. Asali’s employment with the Company will cease in Fiscal 2017 and Mr. Maura’s employment with the Company ceased on November 29, 2016. In connection with the foregoing and certain changes in the strategic objectives and direction of the Company, the Company, in consultation with the Compensation Committee and its compensation advisors, determined that for Fiscal 2017 and thereafter, compensation arrangements will no longer be based on the NAV Return of the Company and the NAV bonus plan was terminated effective as of September 30, 2016. In January 2017, the Company also entered into retention agreements with its remaining executives (other than Mr. Asali and Mr. Maura) that specify the potential amounts of bonus payments for Fiscal 2017. For more information see “Nicholson Retention Letter” below.

#### *Asali Transition Agreement*

On November 17, 2016, the Company announced that Mr. Asali plans to leave the Company. In connection with the foregoing, on November 17, 2016, the Company and Mr. Asali entered into a Transition Agreement (the “Asali Transition Agreement”). The Asali Transition Agreement provides that Mr. Asali will receive from the Company (i) for Fiscal 2016, a bonus of \$8,000,000 in cash and (ii) for Fiscal 2017, a bonus for \$3,000,000 in cash, on the earlier of March 31, 2017 and the date on which the Company announces that it has entered into definitive documentation which, if the transactions contemplated thereby were consummated, would result in a sale, merger, change in control or other strategic transaction of or involving the Company and substantially all of its assets (such a transaction, a “Transaction”, and such date, an “Announcement Date”). In addition, Mr. Asali would be eligible to receive an additional payment of \$3,000,000 (or such higher amount as determined by the Board), if (x) the Company enters into definitive documentation with respect to a Transaction, Mr. Asali remains employed through the Announcement Date and shareholder approval of the Transaction contemplated in connection with the Announcement Date is obtained or (y) there is a Specified Triggering Event (defined below) on or prior to the Announcement Date, and within 18 months following such Specified Triggering Event the Company enters into definitive documentation, and obtains the required shareholder approvals, with respect to a Transaction.

The Asali Transition Agreement provides that Mr. Asali’s last day of employment will be the earliest of the date of his (i) death, (ii) termination for disability, (iii) termination by the Company without cause or the date he resigns for good reason, (iv) the Announcement Date (clauses (i) through (iv) each, a “Specified Triggering Event”) or (v) termination for cause or resignation

without good reason. Mr. Asali will continue to receive payment of his base salary and any unpaid vacation time and unreimbursed business expenses through the date his employment ends. Following his separation after a Specified Triggering Event and subject to his compliance with terms of the Asali Transition Agreement, Mr. Asali will receive a \$500,000 cash payment as severance and COBRA reimbursement for a period of up to 12 months. In addition, Mr. Asali's options and restricted stock awards, which were scheduled to vest and settle on November 29, 2016, will continue to vest and settle on November 29, 2016 and his options and restricted stock, which were scheduled to vest and settle in November 29, 2017, will vest and settle on the earlier of March 31, 2017, the Announcement Date, a Specified Triggering Event or a change in control of the Company.

Mr. Asali remains subject to certain non-solicitation restrictions of the Company's employees for 18 months post-termination of employment and confidentiality provisions indefinitely. The Asali Transition Agreement also contains a customary mutual release of claims.

#### *Maura Separation and Release Agreement*

On November 28, 2016, the Company and Mr. Maura, entered into a Separation and Release Agreement (the "Maura Separation and Release Agreement") pursuant to which Mr. Maura resigned his employment with the Company effective November 29, 2016, but will continue to serve as the Executive Chairman of Spectrum Brands and as a member of the Company's Board of Directors. The Services Agreement was terminated in connection with the Maura Separation and Release Agreement.

In connection with the foregoing, Mr. Maura received a lump sum cash payment of \$500,000 and will receive COBRA reimbursement for a period of up to 12 months. In addition, Mr. Maura's 48,408 unvested options and 110,212 remaining shares of unvested restricted stock that were each awarded prior to November 28, 2016 fully vested, but shall be exercisable/settled on November 29, 2017.

Mr. Maura received a bonus for Fiscal 2016, consisting of (i) \$1,540,000 payable in cash in December 2016, (ii) \$1,815,080 payable in cash on November 1, 2018 and (iii) a fully vested option to acquire 318,190 shares of common stock of the Company on December 14, 2016. Such options will be exercisable as follows: 30,626 on the date of grant, 30,626 on the first anniversary of the date of grant, 128,469 on the second anniversary of the date of grant and 128,469 on the third anniversary of the date of grant. Mr. Maura also received a cash bonus of \$2,150,000 for Fiscal 2017. The cash bonuses for Fiscal 2016 and Fiscal 2017 shall not be subject to clawback or forfeiture based on the NAV of the Company in Fiscal 2017 or thereafter. Mr. Maura also received any earned but unpaid salary and any unpaid vacation time and unreimbursed business expenses through November 29, 2016.

Mr. Maura remains subject to certain non-solicitation restrictions of the Company's employees for 18 months post-termination of employment and confidentiality provisions indefinitely. The Maura Separation and Release Agreement also contains a customary mutual release of claims.

#### *Nicholson Retention Letter*

On January 20, 2017, the Company and Mr. Nicholson entered into a retention letter agreement (the "Nicholson Retention Agreement") pursuant to which Mr. Nicholson will be employed by the Company as its Senior Vice President, Chief Financial Officer and Chief Accounting Officer, effective as of January 20, 2017. In addition, his base salary will be increased to \$325,000 effective as of January 1, 2017 and he will receive a one-time bonus equal to \$100,000 within ten days after January 20, 2017. Subject to Mr. Nicholson's continued employment with the Company through the earliest of November 30, 2017, the date the Company files its Annual Report on Form 10-K for Fiscal 2017 or an earlier date selected by the Company (the "Retention End Date"), he will receive (i) a retention payment equal to \$325,000 and (ii) a bonus equal to \$400,000. The separation payment is in lieu of the separation payments Mr. Nicholson was entitled to receive under his employment agreement, and the bonus represents Mr. Nicholson's bonus for Fiscal 2017 through the Retention End Date (Mr. Nicholson is not entitled to any other bonus through the Retention End Date). In addition, he will be eligible to receive COBRA reimbursement for a period of up to 12 months if his employment is terminated. Mr. Nicholson will also receive these payments if his employment is terminated by the Company without Cause or by Mr. Nicholson for Good Reason. However, if Mr. Nicholson's employment is terminated by the Company for Cause or if he resigns without Good Reason, he will not be eligible for the retention payment, bonus and COBRA reimbursement. The retention payment, bonus and COBRA reimbursement are conditioned upon Mr. Nicholson's execution of a customary release and will be in lieu of any severance or bonus payments pursuant to his employment agreement. Mr. Nicholson will be entitled to receive accrued but unpaid base salary, unused vacation time accrued and unreimbursed business expenses incurred through the date of termination.

## **COMPENSATION AND BENEFITS**

### **Summary Compensation Table**

The following table discloses compensation for Fiscal 2016, Fiscal 2015 and Fiscal 2014 received by Messrs. Asali, Maura, Nicholson and Williams, each of whom was a "named executive officer" for all or a portion of Fiscal 2016. As disclosed in greater detail elsewhere in this report, Mr. William's employment with the Company terminated on January 1, 2016, Mr. Maura's employment with the Company terminated on November 29, 2016 and Mr. Asali and the Company have entered into a Transition Agreement pursuant to which his employment with the Company is expected to cease during Fiscal 2017.

In reading the table below, it should be noted that under the Company's bonus plan, the Company does not pay any bonuses with respect to any fiscal year until the completion of such fiscal year. Pursuant to SEC disclosure rules, cash compensation payable for any fiscal year is included in the column titled "Non-Equity Incentive Plan Compensation" for such fiscal year (although no amounts are actually payable until after the end of such fiscal year). However, in the case of equity awards, the SEC disclosure rules require that the Summary Compensation Table and the Grants of Plan-Based Awards Table include for each fiscal year the aggregate fair value, as of the grant date, of equity awards granted only during the applicable fiscal year. Since under the Company's bonus plan equity compensation for any fiscal year is not granted until the completion of such fiscal year, the value of such equity is not included in the Summary Compensation Table or the Grants of Plan-Based Awards Table for such year, but in accordance with SEC rules is, or will be, as applicable, included in next year's compensation disclosure. For more details, please see footnote (2) to the Summary Compensation Table.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$ (1) (2))	Option Awards (\$ (1) (2))	Non-Equity Incentive Plan Compensation (\$ (3))	All Other Compensation (\$ (4))	Total (\$ (5))
Omar M. Asali, President and Chief Executive Officer	2016	500,000	—	242,786	46,454	8,000,000	50,000	8,839,240
	2015	500,000	—	10,348,776	1,809,401	171,000	50,000	12,879,177
	2014	500,000	—	12,227,772	2,017,608	7,886,000	138,839	22,770,219
David M. Maura, former Executive Vice President and Managing Director	2016	150,824	—	191,356	36,613	3,355,080	50,000	3,783,873
	2015	500,000	—	5,044,576	866,770	135,000	50,000	6,596,346
	2014	500,000	—	11,889,468	1,966,376	3,844,000	50,000	18,249,844
George C. Nicholson, Senior Vice President, Chief Accounting Officer and Chief Financial Officer	2016	275,000	—	—	—	300,000	38,250	613,250
	2015	—	—	—	—	—	—	—
	2014	—	—	—	—	—	—	—
Thomas A. Williams, former Executive Vice President and Chief Financial Officer (6)	2016	125,000	—	—	—	—	464,570	589,570
	2015	500,000	1,000,000	3,721,321	648,673	—	63,000	5,932,994
	2014	500,000	—	4,554,840	750,825	2,836,000	62,750	8,704,415

- (1) All stock and option awards were granted under the Harbinger Group Inc. 2011 Omnibus Equity Award Plan, as amended (the "2011 Plan"). These columns reflect the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718 (disregarding any risk of forfeiture assumptions). For a discussion of the relevant valuation assumptions, See Note 18 to Consolidated Financial Statements included in the Original 10-K.
- (2) The equity awards presented in this table were granted in November and December 2015 pursuant to the bonus plan for Fiscal 2015 (the "2015 Bonus Plan"). The equity awards made pursuant to the 2015 Bonus Plan were not included in the Summary Compensation Table or Grants of Plan-Based Awards Table in our report for Fiscal 2015 because such awards were not granted until after the end of our Fiscal 2015. These awards were disclosed, however, in the Compensation Discussion and Analysis in our report for Fiscal 2015. Pursuant to the 2015 Bonus Plan, the following grants were made in November 2015: (A) On November 24, 2015, Mr. Asali was granted (i) \$121,386 in the form of 8,714 fully vested shares of our Common Stock, (ii) \$121,400, in the form of 8,715 shares of restricted stock which vest on November 29, 2016, and (iii) \$46,454, in the form of nonqualified stock options to purchase 9,163 shares of our Common Stock which vest as follows: 4,581 were vested on the date of grant and 4,582 on November 29, 2016. (B) On November 24, 2015, Mr. Maura was granted (i) \$95,685, in the form of 6,869 fully vested shares of our Common Stock, (ii) \$95,671, in the form of 6,868 shares of restricted stock which vest on November 29, 2016 and (iii) \$36,613, in the form of nonqualified stock options to purchase 7,222 shares of our Common Stock which vest as follows: 3,611 were vested on the date of grant and 3,611 on November 29, 2016.
- (3) For Fiscal 2016, reflects the cash portion of the incentive awards earned by our named executive officers. Amounts in excess of two times the target corporate bonus pool are deferred to subsequent years, resulting in the deferral from amounts listed in this column of \$1,815,000 for Mr. Maura to be paid out in November 2018. In addition, Mr. Maura received compensation from Spectrum Brands for services performed in Fiscal 2016, as fully disclosed in their Proxy Statement filed pursuant to Section 14(a) of the Securities Exchange Act of 1934, filed on December 21, 2016.
- (4) For Fiscal 2016, (i) for Mr. Asali, amounts in this column represent the value of his FlexNet cash benefit of \$50,000, utilized for transportation and financial services; (ii) for Mr. Maura, amounts in this column represent the value of his FlexNet cash benefit of \$50,000, utilized for health and welfare programs, transportation and financial services; (iii) for Mr. Nicholson, amounts in this column represent the value of his FlexNet cash benefit of \$25,000, utilized for health and welfare programs, finance and technology services and \$13,250 in matching contributions pursuant to the Company's 401(K) plan and (iv) for Mr. Williams, amounts in this column represent severance payments pursuant to the Williams Retention Agreement.
- (5) See section titled "HRG Subsidiary and Affiliate Fees" above for a discussion of the compensation received by certain of our named executive officers from our subsidiaries during Fiscal 2016. Such amounts are not reflected in this table.
- (6) Mr. Williams' Fiscal 2016 base salary represents the amount he earned from September 30, 2014 through January 1, 2016, which was the date his employment with the Company terminated.

## **Agreements with Named Executive Officers**

### *Employment Agreements with Messrs. Asali, Maura and Williams*

On February 11, 2014, the Company entered into amended and restated employment agreements with Messrs. Asali, Maura and Williams. Each amended and restated employment agreement provides for a one year term which automatically renews each October 1, subject to earlier termination. The amended and restated employment agreements provide for an annual base salary of \$500,000 and entitle the executives to participate in the Company's annual bonus plan comprised of a mix of cash and equity. Messrs. Asali, Williams and Maura previously received an initial equity grant of stock options and restricted stock, in connection with each executive's entry into his original employment agreement.

*Retention Agreement with Mr. Williams*

The Company and Mr. Williams entered into a Retention and Release Agreement, dated August 6, 2015, as described more fully under the heading “Compensation and Benefits - Payments Upon Termination and Change of Control.”

*Employment Agreement with Mr. Nicholson*

On November 19, 2015, the Company entered into an employment agreement with Mr. Nicholson as its Senior Vice President and Chief Accounting Officer, and on December 26, 2015, Mr. Nicholson was promoted to the additional position of Acting Chief Financial Officer of the Company, effective as of January 4, 2016. Mr. Nicholson’s annual base salary was \$275,000 and Mr. Nicholson is also eligible for an annual bonus in a target amount equal to \$275,000. Mr. Nicholson is subject to certain non-competition and non-solicitation restrictions for six months following termination of employment, as well as perpetual confidentiality and non-disparagement provisions. As described more fully under the heading “Subsequent Events After Fiscal 2016 Year End”, in Fiscal 2017, Mr. Nicholson’s base salary was increased and he was also promoted to Chief Financial Officer.

**Grants of Plan-Based Awards for Fiscal 2016**

The following table provides information concerning awards granted in Fiscal 2016 to our named executive officers.

In reading the table below, it should be noted that SEC disclosure rules require that this table include for each fiscal year the aggregate fair value, as of the grant date, of equity awards granted only during the applicable fiscal year. Since under the Company’s bonus plan equity compensation for any fiscal year is not granted until the completion of such fiscal year, the value of such equity is not included in the Summary Compensation Table or the Grants of Plan-Based Awards Table for such year, but in accordance with SEC rules is, or will be, as applicable, included in next year’s compensation disclosure. For more details, please see footnote (2) to the Summary Compensation Table.

Name	Grant Date	Estimated Possible Payouts Under Non- Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (2)	All Other Option Awards: Number of Securities Underlying Options (2)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value (\$) (3)
		Threshold	Target (\$) (1)	Maximum				
Omar M. Asali			2,500,000					
	11/24/2015					9,163	13.93	46,454
	11/24/2015				17,429			242,786
David M. Maura			2,000,000					
	11/24/2015					7,222	13.93	36,613
	11/24/2015				13,737			191,356
George C. Nicholson			275,000					
	11/24/2015					—	—	—
	11/24/2015				—			—
Thomas A. Williams			—					
	11/24/2015					—	—	—
	11/24/2015				—			—

(1) For Messrs. Asali and Maura, this reflects the target payouts pursuant to the 2016 Bonus Plan and for Mr. Nicholson this reflects the target payout pursuant to his employment agreement, in each case, with respect to services performed for the Company during Fiscal 2016. The maximum bonus payment to any individual under the 2016 Bonus Plan with respect to any year is subject to the \$20 million Award Cap.

(2) All restricted stock and option awards made in Fiscal 2016 were granted pursuant to the 2015 Bonus Plan.

(3) This column reflects the aggregate grant date fair value of the option and stock awards computed in accordance with FASB ASC Topic 718 (disregarding any risk of forfeiture assumptions). For a discussion of the relevant valuation assumptions, see Note 18 to Consolidated Financial Statements included in the Original 10-K.



## Outstanding Equity Awards as of September 30, 2016

Name	Option Awards					Stock Awards		
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price (\$) (1)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested (\$)	(2)
Omar M. Asali	1,000,000	—	—	4.86	2/14/2022	—	—	—
	544,900	—	—	8.52	11/29/2022	—	—	—
	255,681	153,410 (3)	—	11.76	11/29/2023	382,117 (3)	5,999,237	—
	86,290	253,942 (4)	—	13.36	11/29/2024	578,153 (4)	9,077,002	—
	4,581	4,582 (5)	—	13.93	11/29/2025	8,715 (5)	136,826	—
David M. Maura	435,920	—	—	8.52	11/29/2022	—	—	—
	239,795	157,978 (6)	—	11.76	11/29/2023	393,496 (6)	6,177,887	—
	69,032	96,816 (7)	—	13.36	11/29/2024	220,424 (7)	3,460,657	—
	3,611	3,611 (5)	—	13.93	11/29/2025	6,868 (5)	107,828	—
George C. Nicholson	—	—	—	—	—	—	—	—
Thomas A. Williams	100,821	—	—	8.52	11/29/2022	—	—	—
	96,648	55,738 (8)	—	11.76	11/29/2023	138,836 (8) (10)	2,179,725	—
	34,516	87,828 (9)	—	13.36	11/29/2024	199,960 (9) (10)	3,139,372	—

(1) The exercise price of all equity awards is equal to the fair market value (closing sale price of our Common Stock) on the date of grant.

(2) The amounts in this column reflect the fair market value of the unvested restricted stock based on the closing stock price of \$15.70 on the last trading day in Fiscal 2016.

(3) Mr. Asali's unvested option awards will vest as follows: 153,410 on November 29, 2016. Mr. Asali's restricted stock will vest as follows: 382,117 on November 29, 2016.

(4) Mr. Asali's unvested option awards will vest as follows: 126,971 on November 29, 2016 and 126,971 on November 29, 2017. Mr. Asali's restricted stock will vest as follows: 289,077 on November 29, 2016 and 289,076 on November 29, 2017. Pursuant to the Asali Transition Agreement, the options and restricted stock scheduled to vest in November 29, 2017 will vest on the earlier of March 31, 2017 or a change of control, subject to continued employment or upon a Specified Triggering Event.

(5) Messrs. Asali's and Maura's unvested option awards and restricted stock vested November 29, 2016.

(6) Mr. Maura's unvested option awards will vest as follows: 157,978 on November 29, 2016. Mr. Maura's restricted stock will vest as follows: 393,496 on November 29, 2016. Pursuant to the Maura Separation and Release Agreement, the options vested when the release became effective and such vested options will become exercisable on the dates that the options were otherwise scheduled to vest.

(7) Mr. Maura's unvested option awards will vest as follows: 48,408 on November 29, 2016 and 48,408 on November 29, 2017. Mr. Maura's restricted stock will vest as follows: 110,212 on November 29, 2016 and 110,212 on November 29, 2017. Pursuant to the Maura Separation and Release Agreement, the options vested when the release became effective and such vested options will become exercisable on the dates that the options were otherwise scheduled to vest.

(8) Mr. Williams' unvested option awards will vest as follows: 55,738 on November 29, 2016. Mr. Williams' restricted stock will vest as follows: 138,836 on November 29, 2016.

(9) Mr. Williams' unvested option awards will vest as follows: 43,914 on November 29, 2016 and 43,914 on November 29, 2017. Mr. Williams' restricted stock will vest as follows: 99,980 on November 29, 2016 and 99,980 on November 29, 2017.

(10) Mr. Williams' employment terminated on January 1, 2016. The numbers in the table reflect the gross number of shares that were unvested. However, pursuant to the terms of his release agreement in January 2016, 67,102 shares were withheld from the 138,836 shares and 96,945 shares were withheld from the 199,960 shares for tax purposes and the following shares were withheld for tax purposes: for the bonus plan for Fiscal 2013, 6,102 shares were withheld and for the bonus plan for Fiscal 2014, 96,645 shares were withheld.

## Option Exercises and Stock Vested in Fiscal 2016

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting	Value Realized on Vesting (\$) (7)
Omar M. Asali	—	—	441,340 (1)	6,041,945
			382,118 (2)	5,231,195
			98,228 (3)	1,344,741
			8,714 (4)	121,386
David M. Maura	177,500	1,461,287 (6)	—	—
			353,072 (1)	4,833,556
			393,497 (2)	5,386,974
			78,582 (3)	1,075,788
Thomas A. Williams	70,000	705,439 (5)	6,869 (4)	95,685
			—	—
			48,178 (1)	659,557
			138,836 (2)	1,900,665
			39,291 (3)	537,894
			67,102 (8)	861,590
			96,645 (9)	1,240,922

- (1) Represents restricted stock awards granted pursuant to the bonus plan for Fiscal 2012, which vested on November 29, 2015.
- (2) Represents restricted stock awards granted pursuant to the bonus plan for Fiscal 2013, which vested on November 29, 2015.
- (3) Represents restricted stock awards granted pursuant to the bonus plan for Fiscal 2014, which vested on November 29, 2015.
- (4) Represents stock awards granted pursuant to the 2015 bonus plan which were fully vested on the November 24, 2015 grant date.
- (5) The value realized on exercise is based on a weighted average stock price derived from a stock price range of \$14.88 to \$14.93 during a series of exercises that occurred during Fiscal 2016.
- (6) The value realized on exercise is based on a weighted average stock price derived from a stock price range of \$13.00 to \$13.27 during a series of exercises that occurred during Fiscal 2016.
- (7) The value realized on vesting is based on the stock price of \$13.93 on November 24, 2015 and \$13.69 on November 30, 2015.
- (8) Represents restricted stock awards granted pursuant to the bonus plan for Fiscal 2013, which vested on January 8, 2016.
- (9) Represents restricted stock awards granted pursuant to the bonus plan for Fiscal 2014, which vested on January 8, 2016.

## Pension Benefits

For Fiscal 2016, the Company did not maintain any defined benefit pension plan for the benefit of our named executive officers.

## Nonqualified Deferred Compensation

Our annual bonus program provides for an automatic deferral of payouts in excess of two times the target bonus pool, subject to clawback in later years if certain bonus thresholds are not met. These cash amounts, payable on a deferred basis pursuant to the 2012, 2013 and 2014 Bonus Plans, were previously included as “Non-Equity Incentive Plan Compensation” in the Summary Compensation Table for such fiscal years.

Name	Registrant Contributions in Last Fiscal Year	Aggregate Balance at Last Fiscal Year End
Omar M. Asali	\$ —	\$ 2,943,000
David M. Maura	—	1,122,000
Thomas A. Williams	—	1,018,000

## Payments Upon Termination and Change of Control

### *Termination Payments Payable to Messrs. Asali and Maura*

The following describes payment that Messrs. Asali and Maura would have been entitled to receive had their employment been terminated in Fiscal 2016 under certain circumstances; however, as noted above in the section titled “Subsequent Events after Fiscal 2016 Year End”, Messrs. Asali and Maura did not receive the payments described below and have entered into new arrangements with the Company that will govern their respective termination payments during Fiscal 2017 (such arrangements

do not provide for enhanced severance upon a Change in Control of the Company). If during the term of the amended and restated employment agreements, the Company terminates an executive's employment without "Cause" (as defined in each amended and restated employment agreement) or if the executive terminates his employment for "Good Reason" (as defined below), subject to the executive executing a general release of claims in favor of the Company, the Company is required to pay or provide the executive with: (i) his base salary for twelve months in continuing installments; (ii) vesting of the initial equity grant on the dates it would otherwise have vested (and the restrictions on the restricted stock will lapse) had executive continued to be an active employee of the Company; (iii) vesting of 100% of the unpaid deferred cash portion, if any, of annual bonuses awarded for years prior to the year of termination, with payment on the same scheduled payment dates (provided that the deferral shall not be for more than four years) and vesting of 100% of the unvested equity portion, if any, of annual bonuses awarded for years prior to the year of termination, with such vesting to occur on the same dates that such equity would otherwise vest had the executive continued to be an active employee of the Company; (iv) eligibility to receive a pro-rata annual bonus for the year of termination, based on achievement of performance, provided that the cash portion of such bonus shall be paid and the equity portion of such bonus shall be granted in the same proportion of cash and equity that are granted to other Company executives, and 50% of such amounts shall be paid within 74 days after the end of the fiscal year and the remaining 50% shall be paid on the first anniversary of such date and (v) COBRA reimbursement for a period of up to twelve (12) months (the "Benefits Continuation"). In addition, the Company shall pay the executive any accrued but unpaid base salary and vacation time and any properly incurred but unreimbursed business expenses.

In addition, during the period beginning sixty days prior to a Change in Control (as defined in each amended and restated employment agreement) or, if earlier, upon the signing of a definitive agreement to enter into a Change in Control (which in each case actually results in a Change in Control) and ending upon the first anniversary of such Change in Control, if the Company terminates the executive's employment without Cause or if the executive terminates his employment for Good Reason, then in lieu of the severance described above, the Company shall pay or provide the executive with: (i) the sum of two times (x) his base salary and (y) the greater of (A) target variable compensation (per the relevant year's bonus plan) or (B) \$2.5 million, payable in installments over 24 months; (ii) vesting of the initial equity grant as set forth above; (iii) vesting of 100% of any unvested equity for annual bonuses awarded prior to the year of termination; (iv) 100% vesting of the unpaid deferred cash portion, if any of annual bonuses awarded for years prior to the year of termination, with payment within 74 days after the Change in Control or cessation of employment (unless Section 409A of the Internal Revenue Code requires payment on the original payment dates); (v) eligibility for a pro rata annual bonus for the year of termination, based on achievement of performance determined in accordance with the employment agreement, provided that 50% of such amounts shall be paid in cash within 74 days after the end of the fiscal year and the remaining 50% shall be paid in cash on the first anniversary of such date; (vi) outplacement services; and (vii) COBRA reimbursement for up to 18 months.

Upon a termination of employment due to the executive's death or "Disability" (as defined in the employment agreements), the Company shall pay or provide such executive with (i) payment of any non-deferred portion of the annual bonus for the prior year which was earned but unpaid, (ii) the Benefits Continuation, subject to receiving a signed waiver and general release of claims from the executive, and (iii) any accrued but unpaid base salary and vacation time and any properly incurred but unreimbursed business expenses.

"Good Reason" for each of Messrs. Asali and Maura means the occurrence, without an executive's express written consent, of any of the following events: (A) a material diminution in executive's authority, duties, responsibilities or title; (B) a diminution of base salary; (C) a change in the geographic location of the executive's principal place of performance of his services to a location more than thirty (30) miles outside of New York City that is also more than thirty (30) miles from his primary residence at the time of such change, except for travel consistent with the terms of the employment agreement; (D) the Company gives notice that the term of the employment agreement is not to be extended so long as the executive continues to perform his duties for the Company through the end of the term and separates from the Company at the end of the term; (E) a material breach by the Company of the employment agreement; (F) the failure by the Company to provide for executive's participation in an annual bonus arrangement (whether paid annually or over a period not to exceed four fiscal years); or (G) the Company's material reduction in the target amount or maximum bonus opportunity that may be earned under the Company's bonus arrangement if the performance criteria are satisfied (and for Mr. Asali only, modification of the Company's bonus arrangement in a manner that materially reduces executive's reasonable opportunity to achieve such bonus, relative to executive's prior participation). In addition, for Mr. Asali only, Good Reason includes if Mr. Asali is not re-nominated to the Board (unless such nomination would violate any legal restriction or order or would cause the Board to be in breach of its fiduciary obligations). An executive must give the Company a written notice (specifying in detail the event or circumstances claimed to give rise to Good Reason) within ninety (90) days after the executive has knowledge that an event constituting Good Reason has occurred, or is deemed to have occurred and must give the Company thirty (30) days to cure. If not cured, the executive must actually terminate his or her employment within 120 days following the event constituting Good Reason; otherwise, that event will no longer constitute Good Reason (except with respect to (D) above).

*Termination Payments Payable to Mr. Nicholson*

The following describes the payments that Mr. Nicholson would have been entitled to receive had his employment been terminated under certain circumstances during Fiscal 2016.

If during the term of his employment agreement, the Company terminates Mr. Nicholson's employment without "Cause" (as defined in his employment agreement) or if Mr. Nicholson resigns his employment for "Good Reason" (as defined below), then, subject to receiving a signed separation agreement and general release of claims from Mr. Nicholson, the Company shall pay or provide Mr. Nicholson with (i) severance equal to twelve months base salary, and (ii) payment of any annual bonus for the prior year which was earned but unpaid. In addition, the Company shall pay Mr. Nicholson any accrued but unpaid base salary and vacation time and any properly incurred but unreimbursed business expenses.

"Good Reason" for Mr. Nicholson means the occurrence, without an executive's express written consent, of any of the following events: (A) a material diminution in executive's authority, duties, responsibilities or title (provided that it shall not constitute Good Reason if Mr. Nicholson is required to report to the Chief Financial Officer or another designee of the CEO); (B) a diminution of base salary; (C) a change in the geographic location of the executive's principal place of performance of his services to a location more than thirty (30) miles outside of New York City that is also more than thirty (30) miles from his primary residence at the time of such change, except for travel consistent with the terms of the employment agreement; or (D) a material breach by the Company of the employment agreement. Mr. Nicholson must give the Company a written notice (specifying in detail the event or circumstances claimed to give rise to Good Reason) within twenty-five (25) days after the executive has knowledge that an event constituting Good Reason has occurred, and must give the Company thirty (30) days to cure. If not cured, the executive must actually terminate his employment within 120 days following the event constituting Good Reason; otherwise, that event will no longer constitute Good Reason.

#### *Williams Retention Agreement*

Mr. Williams' employment was terminated on January 1, 2016 and he received payments pursuant to a Retention and Release Agreement ("the Williams Retention Agreement") entered into with the Company in August 2015. The Williams Retention Agreement provided that, subject to Mr. Williams' providing a customary release of claims and his compliance with his post-termination restrictive covenants, the Company will pay and provide him the following: (i) \$500,000 payable over a period of twelve (12) months following the termination date; (ii) vesting on March 5, 2016 of unvested options to purchase 35,000 shares of Company stock that were awarded to Mr. Williams in 2012; (iii) vesting of 100% of the unpaid deferred cash portion of Mr. Williams' annual bonuses awarded for years prior to the termination date, in an amount equal to \$3,126,000 with payment thereof to be on the dates such bonuses are paid to other senior executives of the Company; (iv) continued vesting of 100% of the unvested options to purchase shares of Company stock and the unvested shares of restricted stock of the Company, that were awarded to Mr. Williams in respect of the annual bonuses for years prior to the termination date, such that such options and restricted stock units shall vest on the dates they would otherwise vest had Mr. Williams remained an employee of the Company; and (v) COBRA reimbursement for a period up to twelve (12) months following the Designated Date, with an approximate value equal to \$39,800. Pursuant to the Williams Retention Agreement, Mr. Williams also received a cash bonus for Fiscal 2015 equal to \$1 million. Except for such bonus, Mr. Williams was not entitled to, and did not receive, any other bonus for Fiscal 2015 and Fiscal 2016. Mr. Williams received payment of his base salary and any unpaid vacation time and unreimbursed business expenses through the termination date. Mr. Williams remains subject to post-employment restrictive covenants in favor of the Company, including certain non-competition restrictions for six (6) months post-termination of employment, certain non-solicitation restrictions for eighteen (18) months post-termination of employment, and four year post-employment cooperation provision.

#### *Summary of Termination Payments*

The following table sets forth amounts of compensation that would have been paid to Messrs. Asali, Maura and Nicholson if their employment was terminated without Cause or for Good Reason. The amounts shown assume that such termination was effective as of September 30, 2016.

As discussed above, Mr. Williams is not included in the summary table below because he was no longer employed on September 30, 2016 and received the amounts described above under the heading "Williams Retention Agreement." In addition, as noted above in the section titled "Subsequent Events after Fiscal 2016 Year End", Messrs. Asali and Maura did not receive the payments described below and have entered into new arrangements with the Company that will govern their respective termination payments during Fiscal 2017.

*Termination without Cause or for Good Reason*

Name	Cash Severance (1)	Prior Year Annual Bonus (2)	Benefits Continuation (3)	Total
Omar M. Asali	\$ 500,000	\$ 19,362,834	\$ 39,727	\$ 19,902,561
David M. Maura	500,000	11,615,918	39,727	12,155,645
George C. Nicholson	275,000	—	—	275,000

- (1) This column reflects payment of twelve months of base salary, payable in continuing installments.
- (2) This column reflects vesting of 100% of the unpaid deferred cash portion under prior year bonus plans and vesting of 100% of the unvested equity portion granted pursuant to prior year bonus plans, based on the closing stock price of \$15.70 on the last trading day in Fiscal 2016. In addition, Messrs. Asali and Maura would each be entitled to receive their actual bonus for Fiscal 2016 because they worked through the last day of that fiscal year.
- (3) This column reflects COBRA premium reimbursements for 12 months, which are also payable if the executive's employment is terminated due to death or Disability.

The following table sets forth amounts of compensation that would have been paid to Messrs. Asali, Maura and Nicholson if their employment was terminated without Cause or for Good Reason during the period that begins sixty days prior to a Change in Control and ends upon the first anniversary of such Change in Control. The amounts shown assume that such termination was effective as of September 30, 2016. As noted above in the section titled "Subsequent Events after Fiscal 2016 Year End", Messrs. Asali, Maura and Nicholson did not receive the payments described below and have entered into new arrangements with the Company that will govern their respective termination payments during Fiscal 2017 (such arrangements do not provide for enhanced severance upon a Change in Control).

*Upon a Termination without Cause or for Good Reason within Change of Control Period*

Name	Cash Severance (1)	Prior Year Annual Bonus (2)	Benefits Continuation (3)	Outplacement Services (4)	Total
Omar M. Asali	\$ 6,000,000	\$ 19,362,834	\$ 59,590	\$ 15,000	\$ 25,437,424
David M. Maura	6,000,000	11,615,918	59,590	15,000	17,690,508
George C. Nicholson	275,000	—	—	—	275,000

- (1) For Messrs. Asali and Maura, this column reflects the sum of two times (x) base salary and (y) the greater of (A) target bonus compensation or (B) \$2.5 million, payable in installments over 24 months.
- (2) This column reflects payment of 100% of the unpaid deferred cash portion under prior year bonus plans and vesting of 100% of the unvested equity portion granted pursuant to prior year bonus plans, based on the closing stock price of \$15.70 on the last trading day in Fiscal 2016. In addition, Messrs. Asali and Maura would each be entitled to receive their actual bonus for Fiscal 2016 because they worked through the last day of that fiscal year.
- (3) This column reflects COBRA premium reimbursement payments for up to 18 months for Messrs. Asali and Maura. In addition, COBRA premium reimbursements are payable for 12 months if the executive's employment is terminated due to death or Disability.
- (4) This column reflects estimated payments for outplacement services.

**Director Compensation**

Directors who are not employees of the Company ("non-employee directors") receive an annual retainer of \$80,000 (paid on a quarterly basis). Non-employee directors also receive an annual equity award of \$80,000, granted as restricted stock or restricted stock units, which vest on the last date of the Company's fiscal year, subject to continued service on the Board on such date.

In addition, newly elected non-employee directors receive a commencement equity award of \$80,000, granted as restricted stock or restricted stock units, to vest in full on the one-year anniversary of the commencement of each such director's service on the Board. Newly elected directors are only entitled to receive the annual equity award in the first fiscal year commencing immediately following the date such newly elected director becomes a member of the Board.

For Fiscal 2016, compensation for service on the standing committees of the Board is paid in quarterly installments as follows:

Committee	Chair Annual Retainer	Member Annual Retainer
Audit	\$ 26,000	\$ 15,000
Compensation	15,000	6,000
Nominating and Corporate Governance	10,000	5,000

In addition, if a non-employee director attends in excess of 20 in-person committee meetings of our Board in one fiscal year, then such director receives \$1,500 for each meeting in excess of 20 that such director attends.

We maintain a non-employee director share retention requirement, requiring each non-employee director to retain ownership of 100% of his or her covered shares, net of taxes and transaction costs, until the earlier of (i) the date of such director's termination of employment or (ii) the date such person is no longer a director.

On November 24, 2015, equity awards of 5,743 restricted stock were granted to each of Messrs. Ianna, Luterman, Steinberg, and Whittaker for Fiscal 2016 services, which vested on September 30, 2016. In addition, on November 28, 2015, fully vested initial stock awards of 11,486 were granted to each of Messrs. Steinberg and Whittaker for Fiscal 2014 and 2015 services.

### **Director Compensation Table**

The following table shows for Fiscal 2016 certain information with respect to the compensation of the directors of the Company, excluding Omar M. Asali and David Maura, whom did not receive any compensation for service as a director of HRG and whose compensation for their service as officers of HRG is disclosed above in the section entitled "Summary Compensation Table."

Name (1)	Fees Earned or Paid in Cash	Stock Awards (2)	Total
Frank Ianna (3)	\$ 112,250	\$ 80,000	\$ 192,250
Gerald Luterman (3)	117,000	80,000	197,000
Joseph S. Steinberg (3) (4)	91,000	240,000	331,000
Eugene I. Davis (5)	105,416	—	105,416
Andrew Whittaker (3) (4)	80,000	240,000	320,000
Curtis Glovier	22,526	—	22,526
Andrew A. McKnight (6)	—	—	—

- (1) Messrs. Maura and Asali were employees of our Company and did not receive any compensation from the Company for their services as HRG directors. See section titled "Summary Compensation Table."
- (2) This column reflects the aggregate grant date fair value of the awards computed in accordance with FASB ASC Topic 718 (disregarding any risk of forfeiture assumptions).
- (3) On November 24, 2015, equity awards of 5,743 restricted stock were granted to each of Messrs. Davis, Ianna, Luterman, Steinberg, and Whittaker, which vested on September 30, 2016.
- (4) On November 28, 2015, fully vested initial stock awards of 11,486 were granted to each of Messrs. Steinberg and Whittaker for Fiscal 2014 and 2015 services.
- (5) Mr. Davis resigned from the Board effective August 31, 2016 and he forfeited the 5,743 shares of restricted stock granted on November 24, 2015.
- (6) Mr. McKnight joined the Board on July 21, 2016. Mr. McKnight is entitled to, but has not yet received compensation for his services as a director of HRG.

### **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

Currently, our Compensation Committee is composed of Messrs. Frank Ianna (Chairman), Curtis A. Glovier, Gerald Luterman, Andrew A. McKnight and Joseph S. Steinberg. None of the members of our Compensation Committee is or has ever been one of our officers or employees. In addition, during Fiscal 2016, none of our executive officers served as a member of the board of directors or the compensation committee of any other entity that has one or more executive officers serving on our Board or our Compensation Committee.

### **REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION**

*The information contained in this report shall not be deemed to be "soliciting material" or "filed" or incorporated by reference in future filings with the SEC or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that we specifically incorporate it by reference into a document filed under the Securities Act of 1933 or the Exchange Act.*

Our Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis contained in this report with our management. Based on that review and discussion, our Compensation Committee recommended to our Board that the Compensation Discussion and Analysis be included in this report.

THE COMPENSATION COMMITTEE

Frank Ianna (Chairman)

Curtis A. Glovier

Gerald Luterman

Andrew A. McKnight

Joseph S. Steinberg

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

The table below shows the number of shares of our Common Stock beneficially owned as of December 31, 2016 by:

- each of our directors;
- each of our named executive officers for Fiscal 2016;
- each person known to us to beneficially own more than 5% of our outstanding Common Stock (the “5% stockholders”); and
- all directors and executive officers as a group.

Beneficial ownership is determined in accordance with the rules of the SEC. Determinations as to the identity of 5% stockholders, the number of shares of our Common Stock beneficially owned by 5% stockholders and former directors and officers, including shares of our Common Stock which may be acquired by them within 60 days, is based upon filings with the SEC as indicated in the footnotes to the table below. Except as otherwise indicated, we believe, based on the information furnished or otherwise available to us, that each person or entity named in the table has sole voting and investment power with respect to all shares of our Common Stock shown as beneficially owned by them, subject to applicable community property laws. As of December 31, 2016, there were 200,188,839 shares of Common Stock outstanding (including shares of restricted stock).

Included in the computation of the number of shares of our Common Stock outstanding and beneficially owned by a person and the percentage ownership of that person in the table below are shares of our Common Stock that are subject to options, warrants or restricted stock units held by that person that are currently exercisable or become exercisable, or vest, as applicable, within 60 days of December 31, 2016. These shares of our Common Stock are not, however, deemed outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise noted below, the address of each beneficial owner listed in the table is c/o HRG Group, Inc., 450 Park Avenue, 29th floor, New York, New York 10022.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
<b>5% Stockholders</b>		
Leucadia National Corporation (1)	46,633,479	23.29%
CF Turul Group (2)	32,994,740	16.48%
<b>Our Directors and Executive Officers</b>		
Omar M. Asali (3)	3,727,815	1.84%
Curtis A. Glovier	5,092	*
Frank Ianna	27,351	*
Gerald Luterman	27,351	*
David M. Maura (4)**	1,956,529	*
Joseph S. Steinberg	22,321	*
Andrew Whittaker	22,321	*
Thomas A. Williams (5)**	714,821	*
Andrew A. McKnight	—	*
George C. Nicholson	—	*
All current directors and executive officers as a group (9 persons) (6)	6,522,294	3.26%

\* Indicates less than 1% of our outstanding Common Stock

\*\* As disclosed in greater detail herein, Mr. Williams’ and Mr. Maura’s employment with the Company was terminated during Fiscal 2016 and Fiscal 2017, respectively. Mr. Maura still serves on the Board.

- (1) Based solely on a Schedule 13D, Amendment No. 2, filed with the SEC on November 26, 2014, Leucadia is the beneficial owner of 46,633,479 shares of our Common Stock, including the 28,000,000 shares Leucadia may from time to time sell and receive the proceeds from such sale for its own account. The address of Leucadia is 520 Madison Avenue, New York, New York 10022.
- (2) Based solely on a Schedule 13D, Amendment No. 5, filed with the SEC on July 27, 2016, CF Turul LLC is the beneficial owner of 32,994,740 shares of our Common Stock. The 32,994,740 shares excludes one share of our preferred stock owned by CF Turul, which cannot be converted into Common Stock. As described in the Schedule 13D, each of Fortress Credit Opportunities Advisors LLC, Fortress Credit Opportunities MA Advisors LLC, Fortress Credit Opportunities MA II Advisors LLC, FCO MA LSS Advisors LLC, Fortress Credit Opportunities MA Maple Leaf Advisors LLC, Fortress Global Opportunities (Yen) Advisors LLC, Drawbridge Special Opportunities Advisors LLC, Fortress Special Opportunities Advisors LLC, FIG LLC, Fortress Operating Entity I LP, FIG Corp., Fortress Investment Group LLC, Mr. Peter L. Briger, Jr., and Mr. Constantine M. Dakolias (collectively, the “CF Turul Group”) may also be deemed to be the beneficial owner of our shares of Common Stock beneficially owned by CF Turul, assuming the effectiveness of a joint investment committee agreement. The business address of CF Turul is c/o Fortress Investment Group LLC, 1345 Avenue of the Americas, 46th Floor, New York, New York 10105.
- (3) Includes 1,551,400 shares of Common Stock and 2,176,415 shares of Common Stock underlying options that have vested or will vest within 60 days of December 31, 2016. Does not include 126,971 shares subject to unvested options that do not vest within 60 days of December 31, 2016.

- (4) Includes 967,548 shares of Common Stock and 988,981 shares of Common Stock underlying options that have vested or will vest within 60 days of December 31, 2016. Does not include 335,972 shares underlying unvested options that do not vest within 60 days of December 31, 2016.
- (5) Includes 383,184 shares of Common Stock and 331,637 shares of Common Stock underlying options that have vested or will vest within 60 days of December 31, 2016. Does not include 43,914 shares underlying unvested options that do not vest within 60 days of December 31, 2016.
- (6) Includes 3,025,261 shares of Common Stock and 3,497,033 shares of Common Stock underlying options, warrants or restricted stock units that are currently exercisable or become exercisable, or vest, as applicable, within 60 days of December 31, 2016. Does not include 506,857 shares underlying unvested options and warrants that do not vest within 60 days of December 31, 2016.

### **Changes in Control**

To the knowledge of the Company, there are no arrangements, including any pledge by any person of securities of the Company or any of its parents, the operation of which may, at a subsequent date, result in a change in control of the Company, other than ordinary default provisions that may be contained in our Charter or Bylaws, or trust indentures, or other governing instruments relating to the securities of the Company.

### **Securities Authorized for Issuance under Equity Compensation Plans**

The following table sets forth information with respect to compensation plans under which our equity securities are authorized for issuance as of September 30, 2016:

<b>Plan category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (in thousands) (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (in thousands) (c)</b>
Equity compensation plans approved by security holders	7,448	\$ 7.50	9,065
Equity compensation plans not approved by security holders	—	—	—
<b>Total</b>	<b>7,448</b>	<b>\$ 7.50</b>	<b>9,065</b>

Our stockholders have approved the adoption of: (i) the 2011 Plan, pursuant to which incentive compensation and performance compensation awards may be provided to employees, directors, officers and consultants of the Company or of its subsidiaries or their respective affiliates and which authorizes the issuance of up to 24 million shares of Common Stock of the Company; and (ii) the 2014 Warrant Plan, which provided for the issuance to our former Chief Executive Officer, Mr. Falcone, of warrants to purchase 3,000,000 shares of our Common Stock at an exercise price per share of \$13.125, which was the per share exercise price equal to 105% of the fair market value of our Common Stock on the date of grant. The descriptions of the 2011 Plan and the 2014 Warrant Plan above are qualified in its entirety by reference to the full text of such plans.



**Item 13. Certain Relationships and Related Transactions, and Director Independence**

**CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS**

Our Board has adopted a Statement of Policy with Respect to Related Party Transactions (the “Related Party Transactions Policy”). A “Related Party Transaction” is defined in the Related Party Transactions Policy as any financial transaction or any series of similar transactions in which we are a participant and in which a related person (i.e., a director, officer, beneficial owner of more than 5% of any class of our capital stock or a family member or controlling or controlled entity of the foregoing persons) has a direct or indirect interest, other than: (i) our payment of compensation to a related person for the related person’s service in the capacity that give rise to the person’s status as a “related person”; (ii) transactions available to all of our employees or all of our stockholders on the same terms; and (iii) transactions which, when aggregated with the amount of all other transactions between us and the related person, involve in a fiscal year the lesser of (a) \$100,000 or (b) 1% of the average of our total assets at year-end for the last two completed fiscal years. Pursuant to the Related Party Transaction Policy, the Related Party Transaction proposed to be entered into must be reported to our Board for review. In reviewing and determining whether to approve a proposed Related Party Transaction presented to our Board, the disinterested members of our Board will analyze such factors as they deem appropriate. We may only enter into a Related Party Transaction upon approval by our Board. Our Board may delegate its authority to review and approve Related Party Transactions to the Audit Committee, a special committee or other committee of our Board.

On March 18, 2014, HRG entered into the Letter Agreement with Leucadia (the “Letter Agreement”). The Letter Agreement was entered into in connection with the consummation of the transactions contemplated by that certain Preferred Securities Purchase Agreement, dated March 18, 2014 (the “PSPA”), by and among the Master Fund, Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (collectively, the “HCP Stockholders”) and Leucadia, pursuant to which Leucadia acquired, following receipt of regulatory approval, 23 million shares of Common Stock, at a price of \$11.00 per share of Common Stock, for an aggregate purchase price of \$253.0 million in cash. Pursuant to the Letter Agreement, Leucadia has designated two directors to HRG’s board. The Letter Agreement further provides, among other things, that without the prior approval of a majority of the directors on HRG’s Board (other than the Leucadia designees), Leucadia and its affiliates will not acquire additional shares or voting rights of HRG that would increase Leucadia’s beneficial ownership above 27.5% of the voting power of HRG’s outstanding securities. The Letter Agreement also restricts Leucadia’s and its affiliates’ ability to make certain proposals or solicit such proxies and limits their ability to sell Leucadia’s investment in HRG to counterparties who hold, or after giving effect to a sale would hold, in excess of 4.9% of HRG’s voting stock (subject to certain exceptions). Leucadia also agreed to vote in favor of the slate of directors nominated by a majority of HRG’s board (other than the Leucadia designees). The Letter Agreement expired by its terms on March 18, 2016. In connection with the March 2014 transaction with Leucadia, under the terms of an existing registration rights agreement, the HCP Stockholders transferred a portion of their rights under the registration rights agreement with respect to the shares underlying Leucadia’s Preferred Stock and HRG entered into a Registration Rights Acknowledgment among it, the HCP Stockholders and Leucadia acknowledging such transfer.

In Fiscal 2016, Jefferies, a wholly owned subsidiary of Leucadia, which through subsidiaries beneficially owns more than 10% of HRG’s outstanding shares of Common Stock, acted as one of the initial purchasers of Spectrum Brands’ offering of €425.0 million of its 4.00% Notes due 2026, for which Jefferies received \$0.3 million in discounts, commissions and reimbursements of expenses.

On October 7, 2015, FGL, entered into an engagement letter with Jefferies (the “Engagement Letter”) pursuant to which Jefferies agreed (on a non-exclusive basis) to provide financial advisory services to FGL in connection with a transaction involving a merger or other similar transaction with respect to at least a majority of the capital stock of FGL. HRG was also a party to the Engagement Letter. Under the Engagement Letter, Jefferies is entitled to receive a fee which represents a percentage of the value of the transaction, plus reimbursement for all reasonable out-of-pocket expenses incurred by Jefferies in connection with their engagement. FGL has also agreed to indemnify Jefferies for certain liabilities in connection with their engagement. HRG is required to reimburse FGL for compensation paid by FGL to Jefferies under certain circumstances. Specifically, if compensation to Jefferies becomes payable in respect of a transaction that involves a disposition of shares of FGL held by HRG (and not other stockholders of FGL), HRG will reimburse FGL for the full amount of such compensation. If compensation to Jefferies becomes payable in respect of a transaction that involves a disposition of shares of FGL held by HRG and a disposition of not more than 50% of the shares of FGL held by stockholders of FGL other than HRG, HRG will reimburse FGL for its pro rata portion of such compensation (based on its relative number of shares compared to those held by stockholders of FGL other than HRG).

On October 9, 2015, HGI Funding entered into a Stock Purchase Agreement, by and among HGI Funding, HC2 Holdings, Inc. (“HC2”) and the purchasers party thereto, whereby HGI Funding sold its remaining equity interest in HC2 for an aggregate purchase price of \$35.1 million. Jefferies agreed to purchase 1.2 million shares in the transaction at a purchase price of \$7.50 per share. In addition, Mr. Falcone purchased through a Harbinger Capital entity 540,000 shares in the transaction at a purchase price of \$7.50 per share.

On October 23, 2015, Front Street Cayman sold bonds issued by Phoenix Life Insurance Company and received approximately \$14.0 million in aggregate proceeds from the sale. Jefferies acted as the principal in the transaction and received a customary fee.

FGL has invested in collateralized loan obligations (“CLOs”) issued by Fortress Credit Opportunities III CLO LP (“FCO III”) and also invested in securities issued by Fortress Credit BSL Limited (“Fortress BSL”). The collateral managers of both FCO III

and Fortress BSL are affiliates of funds managed by affiliates of Fortress. The CLOs had an aggregate total carrying value of \$203.2 million as of September 30, 2016.

**Director Independence**

The disclosure included in Item 10 of this Form 10-K/A under the heading “Corporate Governance - Director Independence” is incorporated by reference into this Item 13 of this Form 10-K/A.

**Item 14. Principal Accounting Fees and Services**

In accordance with Sarbanes-Oxley, the Audit Committee Charter provides that the Audit Committee of our Board has the sole authority and responsibility to pre-approve all audit services, audit-related tax services and other permitted services to be performed for the Company by our independent registered public accounting firm and the related fees. Pursuant to its charter and in compliance with rules of the SEC and Public Company Accounting Oversight Board (“PCAOB”), the Audit Committee has established a pre-approval policy and procedures that require the pre-approval of all services to be performed by the independent registered public accounting firm. The independent registered public accounting firm may be considered for other services not specifically approved as audit services or audit-related services and tax services, so long as the services are not prohibited by SEC or PCAOB rules and would not otherwise impair the independence of the independent registered public accounting firm. The Audit Committee has also delegated pre-approval to the Audit Committee Chairman to pre-approve audit services of up to \$200,000 and certain permitted non-audit services up to \$50,000 per engagement; however, any services pre-approved by the Audit Committee Chairman must be reported to the full Audit Committee at its next meeting.

The table below sets forth the professional fees we paid to our independent registered public accounting firm for professional services rendered for the Company, FS Holdco II Ltd. (excluding FGL), HGI Energy and HGI Funding. Professional fees paid for such services by our other reporting affiliates, FGL and its subsidiaries, Spectrum Brands and its subsidiaries and NZCH, are disclosed in such affiliates’ Annual Reports on Form 10-K or amendments thereto.

	Year Ended September 30,	
	2016	2015
Audit Fees	\$ 2,462,745	\$ 2,784,100
Audit-Related Fees	—	—
Tax Fees	22,612	—
All Other Fees	22,000	22,000
Total Fees	\$ 2,507,357	\$ 2,806,100

- Audit Fees are fees for professional services for the audit of the consolidated financial statements included in Form 10-K and the review of the consolidated financial statements included in Form 10-Qs or services that are provided in connection with statutory and regulatory filings or engagements, such as statutory audits required for certain foreign subsidiaries.
- Audit-Related Fees are fees for assurance and related services that are reasonably related to the performance of the audit or review of the consolidated financial statements.
- Tax Fees are fees for tax compliance, tax advice and tax planning.
- All Other Fees are fees, if any, for any services not included in the first three categories.

PART IV

**Item 15. Exhibits, Financial Statements Schedules**

(a) *List of Documents Filed*

1) Financial Statements

All financial statements of the Registrant are included in the Original 10-K.

2) Financial Statement Schedules

All financial statement schedules have been omitted since they are either not applicable or not required, or the information is contained within the consolidated financial statements included in the Original 10-K.

(b) *List of Exhibits*. The following is a list of exhibits filed with this Form 10-K/A.

<b>Exhibit No.</b>	<b>Description of Exhibits</b>
10.1*	Transition Agreement, dated as of November 17, 2016, by and between HRG Group, Inc. and Omar M. Asali.
10.2*	Separation and Release Agreement, dated as of November 28, 2016, by and between HRG Group, Inc. and David M. Maura.
10.3*	Form of Employee Nonqualified Option Award Agreement, dated as of December 14, 2016, by and between HRG Group, Inc. and David Maura.
31.1*	Certification of Principal Executive Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

\* Filed herewith

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) 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.

**HRG Group, Inc.**  
**(Registrant)**

Dated: January 27, 2017

By: /s/ GEORGE C. NICHOLSON  
George C. Nicholson  
Senior Vice President, Chief Accounting Officer and Chief  
Financial Officer  
(on behalf of the Registrant)

## EXHIBIT INDEX

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\* Filed herewith

### Transition Agreement

This Transition Agreement (this "Agreement") is entered into as of November 17, 2016 between Omar Asali ("Executive") and HRG Group, Inc. (the "Company," and together with the Executive, the "Parties").

#### 1. Recitals

(a) Executive and the Company are parties to an employment agreement dated as of January 9, 2012 (and amended as of February 11, 2014, the "Employment Agreement");

(b) Executive has been awarded the 2016 Vesting Awards (as defined in Section 17 hereof) and the 2017 Vesting Awards (as defined in Section 17 hereof) pursuant to the HRG Group, Inc. 2011 Omnibus Equity Award Plan (f/k/a the Harbinger Group Inc. 2011 Omnibus Equity Award Plan) (the "Equity Plan");

(c) The Employment Agreement requires that Executive execute a release as a condition to receiving certain specific severance payments and benefits enumerated in Sections 5(b)(iii) and 5(c)(i) or 5(c)(ii) of the Employment Agreement (the "Release Condition");

(d) This Agreement satisfies such Release Condition when the Initial Release Date and the Final Release Date occur; and

(e) Certain awards, payments and benefits referred to in this Agreement, i.e., the 2016 Vesting Awards and the 2017 Vesting Awards, are or may become due to vest, settle or be paid to Executive without regard to any Release Condition and the vesting, settlement and payment of those awards, payments and benefits may not be delayed or withheld. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Employment Agreement.

#### 2. Last Day of Employment.

(a) Executive's last day of employment (the "Designated Date") will be the earliest of (i) the date of Executive's death, (ii) the Announcement Date (as defined in Section 17 hereof) unless otherwise agreed by the Parties, (iii) the date the Executive's employment is terminated by the Company without Cause or due to Executive's Disability, (iv) the date that the Executive terminates his employment for Good Reason (as defined in Section 17 hereof) (each such termination event specified in the foregoing clauses (i) through (iv), a "Specified Event"), (v) the date the Executive terminates his employment without Good Reason, and (vi) the date the Executive's employment is terminated by the Company for Cause. Notwithstanding anything in this Agreement or the Employment Agreement to the contrary, it is acknowledged and agreed that the Executive's employment with the Company may be terminated at any time and it is further acknowledged and agreed that prior to any such termination, the Executive shall devote such of Executive's working time and attention to the Company and its Affiliates as is required for the promotion of its business and interests and the performance of Executive's duties and responsibilities hereunder.

(b) On the Designated Date, Executive (i) will be relieved of the duties and responsibilities of Executive's position and (ii) will have no authority to and may not represent himself as an employee or agent of the Company or its Subsidiaries and Affiliates for any purpose unless and to the extent specified in writing by an authorized officer of the Company. From and after the date hereof through the Designated Date, and except as otherwise approved in writing by the Board, Executive shall continue to substantially perform his duties and obligations to the Company and its Subsidiaries and Affiliates including to the extent requested by the Company to serve, or continue to serve, on the board of the Company's Subsidiaries and Affiliates.

(c) On the Designated Date, the Executive shall promptly resign from any titles and appointments Executive may hold with the Company, including, without limitation, as President and Chief Executive Officer of the Company and as a member of the Board (and Executive agrees to promptly execute the resignation letter attached as Exhibit A hereto) and shall promptly execute and deliver the Second Release (as defined below), and, at the Company's request or at the Executive's election, on or following the Termination Date, the Executive shall resign from any titles and appointments Executive may hold with the Company's Subsidiaries and Affiliates, including, without limitation, as a member of such entities' board and/or committees thereof.

(d) On or about the Designated Date, Executive shall return any other property of the Company and its Subsidiaries and Affiliates, and shall also provide Executive's iPad, iPhone and personal computer/tablet to the Company's IT department for removal of any information of the Company and its Subsidiaries and Affiliates; provided, that Executive shall be entitled to retain his rolodex and any electronic equivalents, and any documents relating to Executive's compensation and benefits and any post-employment obligations to which Executive may be subject.

#### 3. Payments to Executive.

(a) Specified Payments. In consideration of the general release contained in this Agreement, Executive's execution and non-revocation of the Second Release (as defined below) and Executive's compliance with the terms of Section 2 and Section 11 of this Agreement and the sections of the Employment Agreement that survive following the Designated Date pursuant to Section 8(a) hereof, Executive will accept, as and on behalf of Executive Releasor (as defined below), from the Company on behalf of each Company Releasee (as defined below), the following cash payments, benefits and stock awards (the

“Specified Payments”) in consideration for Executive’s release of claims against the Company Releasees (as defined below) and Executive’s agreeing to the covenants and obligations set forth in this Agreement:

(i) cash severance pay in the gross amount of \$500,000, payable in a lump sum on the date that is ten (10) days following the Final Release Date; provided that in the event the consideration and revocation period applicable to the Second Release spans two calendar years and the Final Release Date occurs before December 22 of the first calendar year, payment will be made on January 1 of the second calendar year (for the avoidance of doubt, the payment specified in this Section 3(a)(i) shall only be paid if a Specified Event shall have occurred prior thereto; and no such payment shall be made if the Executive terminates his employment without Good Reason and/or the Company terminates Executive’s employment with the Company with Cause prior to the date the payment of the amounts specified in this Section 3(a)(i) are due);

(ii) reimbursement for the cost of health insurance continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”), in excess of the cost of such benefits that active employees of the Company are required to pay, for a period of 12 months after the Final Release Date (or until Executive obtains individual or family coverage through another employer, if earlier) (the “COBRA Period”); provided that Executive elects COBRA coverage and subject to the conditions that: (A) Executive is responsible for promptly notifying the Company if Executive obtains alternative insurance coverage, (B) Executive will be responsible for the entire COBRA premium amount after the end of the COBRA Period; (C) if Executive declines COBRA coverage, then the Company will not make any alternative payment to Executive in lieu of paying for COBRA premiums, and (D) such COBRA reimbursement payments shall be paid on an after tax basis as additional taxable compensation to the Executive; provided, further, that the Company may elect at any time to pay any remaining COBRA reimbursement payments to Executive in a lump sum (for the avoidance of doubt, the payment specified in this Section 3(a)(ii) shall only be paid if a Specified Event shall have occurred; and no such payment shall be made if the Executive terminates his employment without Good Reason and/or the Company terminates Executive’s employment with the Company with Cause prior to the date the payment of the amounts specified in this Section 3(a)(ii) are due);

(iii) The 2016 Vesting Awards shall vest and settle on their own terms without requiring a Release or a Second Release from Executive (1) provided the Executive remains continuously employed with the Company through the vesting date specified in such Award, or (2) if vesting accelerates because of a Specified Event or (3) if vesting accelerates because of a Change in Control occurring prior to the vesting date specified in such Award. The 2017 Vesting Awards shall vest on the earliest to occur of (i) March 31, 2017, provided the Executive has been continuously employed until such date and has not been terminated for Cause by the Company and/or resigned his employment with the Company without Good Reason, and (ii) a Specified Event or (iii) a Change in Control, provided the Executive has been employed until such date and has not been terminated for Cause by the Company and/or resigned his employment with the Company without Good Reason prior to such date. It is acknowledged and agreed that Executive has elected to cause the Company, and the Company has agreed, to withhold or repurchase shares otherwise issuable or deliverable to Executive with respect to the 2016 Vesting Awards and the 2017 Vesting Awards with a Fair Market Value (as defined in the Equity Plan) equal to the statutory minimum tax withholding levels, subject to the Debt Limitations.

(iv) a bonus for the Company’s 2016 fiscal year equal to eight million (\$8,000,000) dollars, payable entirely in cash, within ten (10) days following the Initial Release Date;

(v) a bonus for the Company’s 2017 fiscal year in an amount up to six million (\$6,000,000) dollars, as follows:

(I) three million (\$3,000,000) dollars payable on the earlier of (i) March 31, 2017 and (ii) the Announcement Date (as defined below) (for the avoidance of doubt, the payment specified in this Section 3(a)(v)(I) shall only be paid if the Executive remains continuously employed with the Company through such date or a Specified Event shall have occurred prior thereto; provided that no such payment shall be made if the Executive terminates his employment without Good Reason and/or the Company terminates the Executive’s employment with the Company with Cause prior to the date the payment of the amounts specified in this Section 3(a)(v)(I) are due);

(II) three million (\$3,000,000) dollars (or, at the Company’s sole discretion, more than three million (\$3,000,000) dollars) (such payment, the “Transaction Bonus”) which Transaction Bonus shall vest on the earlier of (i) a Specified Event or (ii) the Transaction Bonus Payment Date; provided that the Company has not terminated



Executive's employment for Cause or Executive has not terminated his employment with the Company without Good Reason prior to the Announcement Date. If the Transaction Bonus becomes vested, the Transaction Bonus shall only become payable to Executive if all required shareholder approvals are obtained or waived for the transaction which was the subject of the Announcement Date (the "Shareholder Approval Condition"). For the avoidance of doubt, the Transaction Bonus specified in this Section 3(a)(v)(II) shall only be paid if (A) the Executive remains continuously employed with the Company through the Announcement Date and his employment is not terminated by the Company for Cause or by the Executive without Good Reason and the Shareholder Approval Condition shall have been satisfied, whether or not the Executive is employed with the Company on the Shareholder Approval Date or (B) (x) the Executive's employment shall have been terminated by the Company without Cause, the Executive shall have terminated his employment with the Company for Good Reason, or terminated employment due to Executive's death or Disability, in each case on or prior to the Announcement Date, and (y) within 18 months following the date of such termination the Shareholder Approval Condition is satisfied. The Transaction Bonus will be paid to Executive no later than the later of (i) the third business day following the date on which the Shareholder Approval Condition is satisfied or (ii) the Final Release Date; provided that in the event the consideration and revocation period applicable to the Second Release spans two calendar years and the Final Release Date occurs before January 1 of the second calendar year, payment will be made on January 1 of the second calendar year (such date, the "Transaction Bonus Payment Date").

(b) For the avoidance of doubt, notwithstanding anything in this Agreement or the Employment agreement to the contrary, (i) if the Executive terminates his employment without Good Reason prior to the payment of any Separation Payment, or in the case of the Transaction Bonus, prior to the Announcement Date, then the Executive shall forfeit the right to receive the Transaction Bonus, but shall retain any other payments or benefits received pursuant to Section 3(a) prior to such date except as set forth in Section 3(h), and (ii) if the Executive is terminated by the Company for Cause at any time, then Executive shall not receive any Specified Payments, including, but not limited to, the Transaction Bonus regardless of whether or not the Announcement Date has occurred, or any severance or separation pay pursuant to the Employment Agreement.

(c) No Other Bonus. Except as otherwise explicitly stated in Section 3(a), as of the Designated Date, all of Executive's (i) unvested shares of restricted stock and unvested options to purchase shares of the Company, and (ii) unvested or deferred cash compensation, shall be forfeited and terminated; provided that, it is understood and agreed that any equity issued to the Executive by any of the Company's public Subsidiaries or Affiliates shall be governed by the governing documents between the Executive and such Subsidiary or Affiliate. Notwithstanding any provision in this Agreement or the Employment Agreement to the contrary, the Company and Executive agree that, (x) except as provided in this Agreement, Executive shall not be entitled to receive any other annual bonus payment (including any payment under the Company's NAV bonus plan) in respect of the Company's 2016 fiscal year, 2017 fiscal year or thereafter and (y) Executive shall not be entitled to receive any payments or benefits pursuant to Section 5(c)(ii) of the Employment Agreement.

(d) Other Payments. Until the Designated Date, the Executive shall be entitled to receive and the Company shall pay Executive's accrued but unpaid Base Salary, unused vacation time accrued through the Designated Date, and unreimbursed business (including FlexNet and the Company's 401K plan) expenses (pursuant to the Employment Agreement) incurred through the Designated Date. Executive's rights (i) to receive benefits after the Designated Date from employee benefit plans in which Executive was a participant while employed by the Company (other than any severance plan, policy or arrangement) and (ii) to exercise stock options that were awarded prior to the Designated Date shall be governed by the terms of the applicable Company plans and agreements (as amended by the terms of the Employment Agreement and this Agreement, including Section 16(f) hereof).

(e) Consideration. Executive acknowledges and agrees that: (i) the Specified Payments set forth above are adequate consideration for all of the terms of this Agreement; (ii) the Specified Payments set forth above do not include any benefit, monetary or otherwise, that was earned or accrued or to which Executive was already entitled without signing this Agreement on the date this Agreement was executed by Executive; and (iii) any monetary or other benefits which, prior to the execution of this Agreement, Executive may have earned or accrued or to which Executive may have been entitled (other than the payments described in Section 3(c) above) have been paid, or such payments or benefits are expressly described in this Agreement or have been released, waived or settled by Executive Releasor pursuant to this Agreement.

(f) Repayment. Executive acknowledges that notwithstanding any provision of this Section 3 to the contrary, to the extent that any portion of the Specified Payments is incentive compensation that is required by applicable law

(including Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act), or by written Company policy of general application implemented to satisfy the requirements of such law, to be subject to any clawback, forfeiture, recoupment or similar limitation, then such portion of the Specified Payments shall be subject to such required clawback, forfeiture, recoupment or similar limitation, in each case to the extent reasonably and in good faith determined by the Board after providing the Executive with reasonable notice and, to the extent permitted by law, an opportunity to be heard with counsel before the Board.

(g) Taxes. The Executive shall be responsible for the payment of any and all required federal, state, local and foreign taxes incurred, or to be incurred, in connection with the amounts payable under this Agreement. Notwithstanding any other provision of this Agreement to the contrary, the Company may withhold from all amounts payable under this Agreement all federal, state, local and foreign taxes that are required to be withheld pursuant to any applicable laws and regulations.

4. Release and Waiver of Claims by Executive

**THIS SECTION, TO THE EXTENT SET FORTH BELOW, PROVIDES A COMPLETE RELEASE AND WAIVER OF ALL EXISTING AND POTENTIAL CLAIMS EXECUTIVE MAY HAVE AGAINST EVERY PERSON AND ENTITY INCLUDED WITHIN THE DESCRIPTION BELOW OF "COMPANY RELEASEE." BEFORE EXECUTIVE SIGNS THIS RELEASE, EXECUTIVE MUST READ THIS SECTION 4 CAREFULLY, AND MAKE SURE THAT EXECUTIVE UNDERSTANDS IT FULLY.**

(a) In consideration of Executive's receipt and acceptance of the consideration contained in this Agreement from and/or on behalf of Company Releasees, Executive, on Executive's own behalf and on behalf of Executive's heirs, executors, administrators, successors and assigns, (collectively, "Executive Releasor") hereby irrevocably, unconditionally and generally releases:

(i) the Company;

(ii) the Company's Affiliates;

(iii) all entities managed by the Company and its Affiliates ("Designated Entities") (collectively, the Company, its Affiliates and Designated Entities are referred to as the "HRG Entities"); and

(iv) the current and former shareholders, directors, officers, partners, members, agents, attorneys and employees, of the HRG Entities (the persons described in Sections 4(a)(i) - (iv) are collectively referred to as "Company Releasees", and each, as "Company Releasee");

from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, or any liability, claims or demands, known or unknown and of any nature whatsoever and which Executive Releasor ever had, now has or hereafter can, shall or may have as of the Initial Release Date and the Final Release (as applicable), including arising directly or indirectly pursuant to or out of any aspect of Executive's employment with the Company or any relationship with any other Company Releasee, the payment or nonpayment of any compensation by any of the HRG Entities, the performance of services for the Company or any Company Releasee or the termination of such employment or services.

(b) Specifically, without limitation, this release shall include and apply to any rights and/or claims:

(i) arising under any contract or employment arrangement between Executive and the Company, express or implied, written or oral, including the Employment Agreement and any bonus agreement;

(ii) for payment of any bonuses and other payments, except as expressly set forth in Section 3(a)(i)-(v) and Section 3(c) of this Agreement;

(iii) for constructive termination, unfair dismissal and/or wrongful dismissal or termination of employment;

(iv) arising under any applicable federal, state, local or other statutes, orders, laws, ordinances, regulations or the like, or case law, that relate to employment or employment practices and/or, specifically, that prohibit discrimination based upon age, race, religion, sex, national origin, pregnancy, disability or any other unlawful bases, including the United States Constitution, the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and 1871, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act, the Family Medical Leave Act of 1993, the Pregnancy Discrimination Act of 1978, the Employee Retirement Income Security Act of 1974, the Workers Adjustment and Relocation Notice Act, the Equal Pay Act, the Sarbanes Oxley Act, and the Dodd Frank Act, and any similar applicable statutes, orders, laws, ordinances, regulations or the like, or case law, of the State of New York or any state in which any Company Releasee is subject to jurisdiction, and/or any political subdivision thereof, including the New York State Human Rights Law (including its prohibitions of age discrimination), the New York City Human Rights Law (including its prohibitions of age discrimination), the New York Labor Law, and the New York Civil Rights Law; or based upon any other federal, state or local statutes, orders, laws, ordinances, regulations or the like, to the fullest extent permitted by such law;

(v) for tortious or harassing conduct, infliction of mental distress, interference with

contract, fraud, libel or slander, or on any other common law basis; and

(vi) for damages, including punitive or compensatory damages, or for attorneys' fees, expenses, costs, wages, injunctive or equitable relief.

(c) Notwithstanding any provision of the foregoing to the contrary, Executive is not waiving or releasing:

(i) any claims for indemnification pursuant to the Employment Agreement, any indemnification agreement or any applicable law;

(ii) any claims for vested benefits pursuant to the terms of the employee benefit plans in which Executive was a participant before the Designated Date;

(iii) any claims with respect to stock options or restricted stock that were awarded to Executive on or before the Designated Date;

(iv) any claims for payment of any bonuses and other payments, set forth in Section 3(a)(i)-(v) and Section 3(c) of this Agreement;

(vi) any claims which arise after the Initial Release Date and the Final Release (as applicable); and

(vii) any right under or claims to enforce any provision of this Agreement or the Employment Agreement to the extent applicable as described in Section 8 of this Agreement.

5. **Release of Unknown Claims**

Executive Releasor expressly understands and acknowledges that it is possible that unknown losses or claims exist or that present losses may have been underestimated in amount or severity, and Executive Releasor explicitly took that into account in determining the amount of consideration to be paid for the giving of the releases described in Section 4 of this Agreement, and a portion of said consideration and the mutual covenants contained herein, having been bargained for between the Parties with the knowledge of the possibility of such unknown claims, were given in exchange for a full satisfaction and discharge of all such claims.

6. **Release and Waiver of Claims by the Company**

The Company, for and on behalf of itself and its successors and assigns, to the maximum extent permitted by law, hereby acknowledges full and complete satisfaction of and absolutely and irrevocably and unconditionally fully and forever releases, acquits and discharges Executive, his heirs, successors, and assigns, from any and all claims, demands, suits, causes of action, liabilities, obligations, judgments, orders, debts, liens, contracts, agreements, covenants and causes of action of every kind and nature, whether known or unknown, suspected or unsuspected, concealed or hidden, vested or contingent, in law or equity, existing by statute, common law, contract or otherwise, which have existed, may exist or do exist, through and including the execution and delivery by the Company of this Agreement (but not including the Company's rights and entitlements under this Agreement); provided, however, that such release does not waive, release, or otherwise discharge any other claim or cause of action that cannot legally be waived including, but not limited to, any acts of fraud or criminal misconduct.

7. **Executive Acknowledgments**

By executing this Agreement, Executive agrees and acknowledges that:

(a) Executive understands all of the terms of this Agreement, and such terms are fair and reasonable, and are not the result of any fraud, duress, coercion, pressure or undue influence exercised by or on behalf of any Company Releasee;

(b) Executive has been provided twenty one (21) days to review, consider, and sign this Agreement. Immediately upon the expiration of the twenty one (21) day period, this Agreement shall become null and void if Executive has not signed this Agreement and returned it to the Company by such date.

(c) Executive has been informed that Executive has a period of seven (7) calendar days after the date of delivery of a signed Agreement to the Company (at 450 Park Avenue, 29th Floor, New York, NY 10022, Attention: General Counsel) in which Executive may revoke this Agreement (the "Revocation Period" and the date on which such Revocation Period expires, the "Initial Release Date"), and that revocation must be made by delivery of written notice of revocation to the Company at 450 Park Avenue, 29th Floor, New York, NY 10022 Attention: General Counsel prior to the end of the Revocation Period;

(d) Executive has been directed by the Company to consult with an attorney of Executive's choice before signing this Agreement;

(e) Executive is not relying on any representation or statement made or contained outside of those set forth in this Agreement and Executive expressly disclaims reliance on any such representation or statement; and

(f) Executive has agreed to and entered into this Agreement and all of the terms hereof, knowingly, freely and voluntarily.

8. **Effect of This Agreement on the Employment Agreement**

(a) Executive and the Company acknowledge and agree that Section 9 (Return of Property) (as modified pursuant to Section 2(d) hereof), Section 15 (Cooperation), Section 18 (Arbitration), Section 19 (Governing Law), Section 20 (Amendment; No Waiver; Section 409A), Section 21 (Indemnification), Section 22 (Severability), Section 25 (No Construction Against Drafter), Section 27 (Notices), and Section 28 (Headings and References) of the Employment Agreement shall survive following the Effective Date (except to the extent that such Sections reference other provisions of the Employment Agreement that cease to be in effect and terminate as of the Effective Date pursuant to this Agreement), and that all of the other provisions of the Employment Agreement, including for the avoidance of doubt and without limitation Section 4 (Compensation and Related Matters), Section 5 (Termination of the Term), Section 6 (Acknowledgements), Section 7 (Noncompetition and Nonsolicitation), Section 8 (Nondisclosure of Confidential Information), Section 10 (Intellectual Property Rights), Section 11 (Nondisparagement) and Section 12 (Notification of Employment or Service Provider Relationship) shall cease to be in effect as of the Effective Date. No provision of the Employment Agreement that is not expressly preserved by this Agreement shall survive following the Initial Release Date. Accordingly, all provisions of the Employment Agreement that are not expressly preserved by this Agreement shall become null and void as of the Initial Release Date.

(b) Executive and the Company further acknowledge and agree that if there is any conflict between the provisions of the Employment Agreement and similar provisions of this Agreement, then the provisions of this Agreement will be controlling.

9. **Covenant Not to Sue**

Executive represents and warrants that Executive has not filed or commenced any complaints, claims, actions or proceedings of any kind against any Company Releasee with any federal, state or local court or any administrative, regulatory or arbitration agency or body. Executive agrees not to commence, maintain, prosecute or participate as a party in any action or proceeding in any court or arbitration forum against the Company or any other Company Releasee with respect to any claim arising from any act, omission, transaction or occurrence up to and including the Initial Release Date and the Final Release (as applicable) that is released and waived by Section 4 of this Agreement. Executive further agrees not to instigate, encourage, assist or participate in any court action or arbitration proceeding commenced by any other person (except a government agency or as required by subpoena or court order) against the Company or any other Company Releasee. In the event any government agency seeks to obtain any relief on behalf of Executive with regard to any claim released and waived by Section 4 of this Agreement, Executive covenants not to accept, recover or receive any monetary relief or award that may arise out of or in connection with any such proceeding.

10. **Company Non-Admission**

This Agreement and the Specified Payments made under this Agreement are not intended to be, shall not be construed as and are not an admission or concession by any Company Releasee of any wrongdoing or illegal or actionable acts or omissions, and each Company Releasee expressly denies that any of them engaged in any wrongdoing or illegal or actionable acts or omissions. Executive, as and on behalf of Executive Releasor, hereby represents and agrees that no written or oral statements, suggestions or representations that any Company Releasee has made or implied regarding any such admission or concession have been or shall be made directly or indirectly by or on behalf of Executive.

11. **Confidentiality and Non-Disclosure of Company Information; Nonsolicitation; Nondisparagement**

(a) Executive hereby acknowledges that during Executive's employment Executive had access to, and may have acquired, proprietary, private and/or otherwise confidential information ("Confidential Information," as defined and described in this Section). Confidential Information shall mean all non-public information, whether or not created or maintained in written or electronic form, which constitutes, relates to or refers to, among other things not enumerated:

(i) the Company and/or any other Company Releasee, and/or any aspect of any Company Releasee's business or activities, including their trade secrets; their business and product development plans; their marketing strategies and plans; their financial information; their manner and method of conducting business; and customers and potential customers;

(ii) any non-public information obtained from any person other than a Company Releasee which is protected and/or governed by a confidentiality agreement or other understanding that the information be treated as confidential;

(iii) any information or documents provided or produced in any litigation involving any Company Releasee, or that are protected and/or governed by a confidentiality agreement or stipulation; and

(iv) any information protected and/or governed by the attorney-client privilege, work product immunity or any similar privilege or immunity; and provided further that "Confidential Information" shall not include information or data that is or becomes available to the public other than as a result of an act or omission by the Executive in breach of this Agreement.

(b) Executive and/or any Executive Releasor agree not to use any Confidential Information, in any manner, directly or indirectly, and agree not to disclose, orally or in writing or by any other means, directly or indirectly, to any person (other than to Executive's attorney and accountant, each of whom shall be directed by Executive not to disclose such information), any Confidential Information, including the information described in Sections 11(a)(i)-(iv).

(c) The provisions of this Section 11 do not apply to Executive's truthful testimony in a court proceeding (including a deposition in connection with such proceeding) or an administrative or arbitration tribunal, and do not restrict Executive in providing information in response to a subpoena or court order, provided, however, that this clause does not waive any attorney-client privilege or work product immunity with respect to any communication between Executive and the Company and/or its employees and agents that is subject to such privilege or immunity.

(d) In response to any inquiry concerning any of the foregoing or otherwise, Executive may describe the positions and salaries Executive held, the job duties and functions Executive performed, and the dates of commencement and termination of Executive's employment.

(e) In the event that Executive and/or any Executive Releasor receives a subpoena or any other written or oral request for any Confidential Information or any other information concerning any Company Releasee, including such information governed by Section 11 of this Agreement, Executive shall, to the extent permissible by law, within two (2) business days of the service or receipt of such subpoena or other request:

(i) notify the Company in writing, by courier or hand delivery to the Company's Chief Financial Officer with a copy to the General Counsel of the Company; and

(ii) provide a copy of such subpoena or other request, if in writing, and/or disclose the nature of the request for information, if oral, to the Company's Chief Financial Officer and a copy of any such document to the General Counsel of the Company.

(f) Executive agrees that Executive shall not, directly or indirectly, whether by Executive, through an Affiliate or in partnership or conjunction with, or as an employee, officer, director, manager, member, owner, consultant or agent of, any other person, while an employee of the Company and during the period ending on the eighteen (18) month anniversary of the Designated Date initiate any actions to solicit, entice or encourage any individual who is at the time of such action an employee of the Company or its Subsidiaries to resign or leave the employ or engagement of the Company or any of their respective Subsidiaries; provided that the foregoing clause shall not preclude the Executive from soliciting, enticing or encouraging for employment and/or hiring any employee of the Company or its Subsidiaries (i) pursuant to a general or public solicitation not targeted at the employees of the Company or its Subsidiaries, (ii) who contacts Executive on his or her own volition and with no solicitation from the Executive; (iii) who at the time of such solicitation was not an employee of the Company or its Subsidiaries; or (iv) in the fulfillment of Executive's duties as President and Chief Executive Officer of the Company.

(g) (i) During Executive's employment with the Company and thereafter, Executive agrees not to make, publish or communicate at any time to any individual or entity, including, but not limited to, customers, clients and investors of the Company, its Affiliates, any Disparaging (defined below) remarks, comments or statements concerning the Company, its controlled Affiliates or any of their respective present and former members, partners, directors, officers or employees.

(i) During Executive's employment with the Company and thereafter, the Company agrees that the CEO and Board shall not make, publish, or communicate, or authorize any Person to make, publish or communicate at any time to any individual or entity any Disparaging (defined below) remarks, comments or statements concerning Executive, except nothing herein shall prevent the Company from making truthful statements regarding Executive's termination in the Company's public filings to the extent required by law or regulation.

(ii) For the purposes of this Section 11(g), "Disparaging" remarks, comments or statements are those that impugn the character, honesty, integrity, morality, business acumen or abilities of the individual or entity being disparaged.

(iii) Notwithstanding the foregoing, this Section 11(g) does not apply to (i) any truthful testimony, pleading, or sworn statements in any legal proceeding; (ii) attorney-client communications; or (iii) any communications with a government or regulatory agency, and further, it shall not be construed to prevent Executive from filing a charge with the Equal Employment Opportunity Commission or a comparable state or local agency.

(h) Executive and the Company acknowledge that this Section 11 constitutes a material term in this Agreement, without which neither the Company nor the Executive would enter into this Agreement. For the avoidance of doubt, nothing in this Section 11 shall prohibit either Party from making such disclosures or statements in order to enforce its rights under this Agreement in accordance with Section 15 hereof or any other litigation among the Parties.

(i) The Company shall disclose Executive's departure consistent with the disclosure set forth on Exhibit B attached hereto. Following the date hereof, to the extent that the Company desires to issue disclosure relating to Executive that is not substantially similar to the disclosure set forth on Exhibit B attached hereto, the Company shall give Executive a reasonable opportunity to review such disclosure in advance of the Company's issuance of such disclosure; provided that such

opportunity shall not be required with respect to any disclosure (i) made by the Company in order to enforce its rights under this Agreement; (ii) required by applicable law or regulation (including in order to comply with its reporting obligations pursuant to the rules and regulations of the SEC), (iii) made to rebut any disclosure made by Executive with respect to the Company that is inconsistent with the statements contained in Exhibit B; (iv) that the Company is requested or required to provide in testimony or a judicial or administrative proceeding or to a governmental or regulatory authority or (v) required under the listing standards of the New York Stock Exchange.

**12. Company Remedies**

The covenants, representations and acknowledgments made by the Executive in this Agreement shall survive the execution of this Agreement and the delivery of the Specified Payments to be made hereunder. Except as may be prohibited by law, in the event that an independent arbitrator appointed pursuant to the Arbitration provision of the Employment Agreement (the "Arbitrator") finds that Executive has committed or is committing a material breach of any term, condition or covenant in Section 11 of this Agreement resulting in material harm to the business or reputation of the Company, the Company Releasees may, in the Arbitrator's discretion, be (x) excused and released from any obligation to make the Specified Payments contemplated by this Agreement and any installment thereof, and/or (y) liable for any damages suffered or incurred by any Company Releasee by reason of such material breach. Notwithstanding anything to the contrary in this Section 12, under no circumstances will the Company be excused from paying, nor shall Executive be obligated to return, an amount of \$5,000 of the total consideration paid to Executive under Section 3(a) of this Agreement.

**13. Entire Agreement; Severability**

This Agreement, the Employment Agreement (to the extent applicable as described in Section 8 of this Agreement) and equity grant documents between the Executive and the Company (as amended herein), together constitute the sole and complete understanding and agreement between the Parties with respect to the matters set forth herein, and there are no other agreements or understandings, whether written or oral and whether made contemporaneously or otherwise. If any provision of this Agreement is determined to be void, voidable or unenforceable, it shall have no effect on the remainder of this Agreement, which shall remain in full force and effect.

**14. Protected Rights**

Notwithstanding any other provision in this Agreement or any other agreement that Executive may have entered with the Company prior to the date hereof, including, but not limited to, the Employment Agreement (collectively, the "Agreements"), nothing contained in any of the Agreements (i) prohibits Executive from reporting to the staff of the Securities and Exchange Commission ("SEC") possible violations of any law or regulation of the SEC, (ii) prohibits Executive from making other disclosures to the staff of the SEC that are protected under the whistleblower provisions of any federal securities laws or regulations or (iii) limits Executive's right to receive an award for information provided to the SEC staff in accordance with the foregoing. Please note that Executive does not need the prior authorizations of the Company to engage in such reports, communications or disclosures and Executive is not required to notify the Company if Executive engages in any such reports, communications or disclosures.

**15. Arbitration, Choice of Law and Venue**

Any dispute arising under this Agreement shall be subject to arbitration pursuant to Section 18 (Arbitration) of the Employment Agreement. This Agreement shall in all respects be subject to, governed by and enforced and construed pursuant to and in accordance with the laws of the State of New York, without regard to and excluding the choice of law rules of any applicable jurisdiction, except that any arbitration proceeding pursuant to the Arbitration provision of the Employment Agreement shall be in accordance with the Employment Arbitration Rules and Mediation Procedures ("Rules") of the American Arbitration Association through a single arbitrator selected in accordance with the Rules. Furthermore, with respect to any controversy, claim or dispute between Executive and any Company Releasee that is not subject to arbitration and with respect to any proceeding in aid of or in connection with arbitration or to enforce, modify or vacate an arbitration award, Executive agrees and consents to submit to personal jurisdiction in the State of New York in any state or federal court of competent subject matter jurisdiction situated in New York County, New York. In addition, Executive waives any right to challenge in another court any judgment entered by such New York County court or to assert that any action instituted by the Company in any such court is in the improper venue or should be transferred to a more convenient forum. Further, Executive and the Company waive any right Executive or it may otherwise have to a trial by jury in any action to enforce the terms, or for breach, of this Agreement.

**16. Amendment; Other Terms; No Waiver; Section 409A**

(a) No provisions of this Agreement may be amended, modified, waived or discharged except by a written document signed by Executive and a duly authorized officer of the Company (other than Executive).

(b) The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No failure or delay by either party in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or

power.

(c) The language used in this Agreement shall be deemed to be the language chosen by the parties hereto to express their mutual intent, and the parties intend that no rule of strict construction will be applied against any party. Wherever the words “include,” “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limiting the foregoing in any respect.” The words “hereof,” “herein” and “hereunder” and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Any reference to any rule, law, statute or regulation shall mean such rule, law, statute or regulation as amended, modified or supplemented from time to time.

(d) This Agreement may be executed in any number of counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument.

(e) The captions and underscoring in this Agreement are for convenience of reference only and have no legal effect and do not define or limit the provisions hereof.

(f) Notwithstanding anything to the contrary herein, in the Equity Plan, or in an Employee Nonqualified Option Award Agreement or other agreement pursuant to which Executive was awarded options to purchase shares of Company stock, (x) with respect to unexercised options to purchase shares of Company stock that have vested on or as of the Designated Date, Executive shall be permitted to exercise such options at any time starting from the date hereof until the first anniversary of the Designated Date (“Expiration Date”), but if commencing on the 45<sup>th</sup> day prior to the Expiration Date (the “Protection Period”) trading in the shares of common stock is prohibited by the Company’s insider trading policy or federal securities laws, as applicable (“Blacked Out”), the Expiration Date shall be automatically extended until the date that is the 60th trading day that is not Blacked Out following the Protection Period; (y) with respect to options to purchase shares of Company stock that will vest after the Designated Date, Executive shall be permitted to exercise such options at any time starting from the date of vesting until the first anniversary of the date of vesting (“Other Expiration Date”), but if commencing on the 45<sup>th</sup> day prior to the Other Expiration Date (the “Other Protection Period”) trading in the shares of common stock is Blacked Out, the Other Expiration Date shall be automatically extended until the date that is the 60th trading day that is not Blacked Out following the Other Protection Period; provided that in neither of the foregoing clauses (x) or (y) shall such exercise period be longer than the 10th anniversary of the date of grant of such option (or such earlier date as provided under Sections 12 or 13 of the Equity Plan).

(g) The Company and Executive agree to negotiate in good faith to make amendments to this Agreement as the Parties mutually agree are necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. Notwithstanding the foregoing, Executive shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of Executive in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold Executive (or any beneficiary) harmless from any or all of such taxes or penalties.

(h) Notwithstanding anything in this Agreement to the contrary, in the event that Executive is deemed to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i), no payments hereunder that are “deferred compensation” subject to Section 409A shall be made to Executive prior to the date that is six (6) months after the date of Executive’s “separation from service” (as defined in Section 409A) or, if earlier, Executive’s date of death. Following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest permissible payment date. For purposes of Section 409A, each of the payments that may be made under this Agreement is designated as a separate payment.

(i) For purposes of this Agreement, with respect to payments of any amounts that are considered to be “deferred compensation” subject to Section 409A, references to “termination of employment” (and substantially similar phrases) shall be interpreted and applied in a manner that is consistent with the requirements of Section 409A relating to “separation from service”.

(j) Executive acknowledges that the Company has advised Executive to consult with an attorney regarding this Agreement, and how Section 409A applies to the Specified Payments.

(k) Executive shall be under no obligation to seek other employment or otherwise mitigate the obligations of the Company under this Agreement, and there shall be no offset against amounts or benefits due Executive under this Agreement or otherwise (except as expressly set forth in Section 3(a)(ii) above) on account of (x) any claim that the Company may have against the Executive or (y) any remuneration or other benefit earned or received by Executive after the Designated Date. Any amounts or benefits due under this Agreement are considered to be reasonable by the Company and are not in the nature of a penalty.

17. **Defined Terms.** For purposes of this Agreement, the following terms, as used herein, shall have the definitions set forth below.

(a) “2016 Vesting Awards” shall mean the following awards that have been granted to the Executive:

(i) 153,410 options scheduled to vest on November 29, 2016 pursuant to an Employee Nonqualified Option Award Agreement under the Equity Plan and dated December 2, 2013;

(ii) 382,117 restricted shares scheduled to vest on November 29, 2016 pursuant to a Restricted Stock Award Agreement under the Equity Plan and dated December 2, 2013;

(iii) 126,971 options scheduled to vest on November 29, 2016 pursuant to an Employee Nonqualified Option Award Agreement under the Equity Plan and dated November 25, 2014 (the "November 2014 Option Agreement");

(iv) 289,077 restricted shares scheduled to vest on November 29, 2016 pursuant to a Restricted Stock Award Agreement under the Equity Plan and dated November 25, 2014 (the "November 2014 Restricted Stock Agreement");

(v) 4,582 options scheduled to vest on November 29, 2016 pursuant to an Employee Nonqualified Option Award Agreement under the Equity Plan and dated November 24, 2015; and

(vi) 8,715 restricted shares scheduled to vest on November 29, 2016 pursuant to a Restricted Stock Award Agreement under the Equity Plan and dated November 24, 2015.

(b) "2017 Vesting Awards" shall mean the following awards that have been granted to the Executive:

(i) 126,971 options scheduled to vest on November 29, 2017 pursuant to the November 2014 Option Agreement; and

(ii) 289,076 restricted shares scheduled to vest on November 29, 2017 pursuant to the November 2014 Restricted Stock Agreement.

(c) "Announcement Date" shall mean the date on which the Company announces that it has entered into definitive documentation which, if the transactions contemplated thereby were consummated, would result in a sale, merger, change in control or other strategic transaction of or involving the Company and substantially all of its assets. For the avoidance of doubt, "substantially all of its assets" shall include the Company's beneficial ownership interests in both Spectrum Brands Holdings, Inc. ("SPB") and Fidelity & Guaranty Life Insurance Company ("FGL") to the extent the Company beneficially owns interests in SPB or FGL on such date.

(d) "Good Reason" shall mean the occurrence, without Executive's express written consent, of any of the following events: (A) a material diminution in Executive's authority, duties, responsibilities or title; (B) a diminution of Base Salary; (C) a change in the geographic location of Executive's principal place of performance of his services hereunder to a location more than thirty (30) miles outside of New York City that is also more than thirty (30) miles from his primary residence at the time of such change, except for travel consistent with the terms of this Agreement; (D) a material breach by the Company of the Employment Agreement; and (E) Executive is not re-nominated to the Board (unless such nomination would violate any legal restriction or order or would cause the Board to be in breach of its fiduciary obligations). If Executive does not give Company a written notice (specifying in detail the event or circumstances claimed to give rise to Good Reason) within ninety (90) days after Executive has knowledge that an event constituting Good Reason has occurred, or is deemed to have occurred, the event will no longer constitute Good Reason; provided, however, that (I) the foregoing shall not apply with respect to (A) above if such notice is provided within ninety (90) days of the most recent event constituting a material diminution in authority, duties or responsibilities. In addition, Executive must give the Company notice and thirty (30) days to cure, and if not cured, Executive must actually terminate his employment within thirty (30) days following the expiration of such cure period; otherwise, that event will no longer constitute Good Reason.

18. **Second Release.**

As a further condition to receipt of the Specified Payments, within twenty-one (21) days following the Designated Date, Executive shall deliver a second release (the "Second Release") and waiver of claims, which shall include substantially identical provisions to the provisions of Sections 4, 5, 6, 7, 8 and 9 hereof (except that the release of claims shall be through and as of the Designated Date and shall become final and binding upon the expiration of the seven day revocation period after the Designated Date, such date, the "Final Release Date"), to HRG Group, Inc., 450 Park Avenue, 29th Floor, New York, NY 10022, Attention: General Counsel. For the avoidance of doubt, if Executive does not deliver the Second Release within twenty-one (21) days following the Designated Date, or delivers the Second Release but revokes it before it becomes effective and the Company is not in breach of this Agreement then no Specified Payments shall be made to Executive and if any such payments are made or provided that were conditioned upon providing a Second Release, Executive shall promptly return such Separation Payment to the Company.



IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have hereunto set their hands.

Omar Asali

/s/ Omar Asali

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Date: November 17, 2017

HRG Group, Inc.

/s/ Ehsan Zargar

Name: Ehsan Zargar

Title: Senior Vice President, General Counsel  
& Corporate Secretary

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Date: November 17, 2017

### Separation and Release Agreement

This Separation and Release Agreement (this "Agreement") is entered into as of November 28, 2016 between David M. Maura ("Executive") and HRG Group, Inc. (the "Company," and together with Executive, the "Parties").

#### 1. Recitals

(a) The Parties are parties to an employment agreement, dated as of January 11, 2012, and amended as of February 11, 2014 (the "Employment Agreement"), an acknowledgement letter, dated February 2014 (the "Acknowledgement Letter"), and a Subsidiary Service Agreement dated as of January 20, 2016 (the "Subsidiary Service Agreement");

(b) The Parties have agreed that Executive's employment will terminate on November 29, 2016;

(c) The Employment Agreement requires that Executive execute a release as a condition to receiving certain severance payments and benefits; and

(d) The Parties desire to fully, finally and amicably resolve and settle any and all issues between them, actual or potential, whether or not relating to Executive's employment with the Company and the termination of such employment, in each case to the extent set forth in this Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Employment Agreement.

#### 2. Last Day of Employment.

(a) The Parties acknowledge and agree that the Recitals set forth in Section 1 of this Agreement are accurate and that, unless otherwise agreed between them in writing, Executive's last day of employment will be November 29, 2016 (the "Separation Date").

(b) As of the Separation Date, Executive: (i) will be relieved of, and shall resign from, all duties and responsibilities as an officer, employee and/or agent of the Company, its Subsidiaries, its Affiliates and any entity managed by any of the foregoing (collectively, together with their successors and assigns, "HRG"), including as Managing Director and Executive Vice President of Investments of the Company, and will, promptly upon the Company's written request, execute any documents reasonably required to effectuate the foregoing (including the resignation letter attached as Exhibit A); provided, however, that the term "HRG" shall not be deemed to include: Spectrum Brands Holdings, Inc., or any of its Subsidiaries, or any Affiliate Controlled by any of the foregoing, or any entity managed by any of the foregoing, or any successors or assigns of any of the foregoing (collectively, "SPB"); and (ii) will have no authority to and may not represent himself as an officer, employee or agent of HRG for any purpose unless and to the extent specified in writing by an authorized officer of the Company; provided, however, that none of the foregoing shall apply with respect to the Executive's service on the Company's Board of Directors (the "Board") or to any positions or authorities Executive holds with, or any services Executive performs for, SPB; provided, further, that upon the written request of an authorized officer of the Board, Executive will promptly resign as a member of the Board and will execute any documents reasonably required to effectuate the foregoing, including the resignation letter attached as Exhibit B hereto.

#### 3. Payments and Benefits to Executive.

(a) Separation Payments and Benefits. Provided only that (x) Executive timely delivers to the Company a signed original of this Agreement, and does not revoke this Agreement within the seven (7) day time period described in Section 20 below, and (y) has not committed a violation of the provisions of Sections 9(a), 10, 11, 12, 13 and 14 (the "Restrictive Covenants") below (relating, respectively, to: refraining from law suits; competition and solicitation; confidential information; Company property, intellectual property; and non-disparagement), which violation has caused, or should reasonably be expected to cause, material harm to HRG, the Company will provide Executive the following payments and benefits (the "Separation Benefits"):

(i) cash severance pay in the gross amount of \$500,000, to be paid in a lump sum on the fifth (5<sup>th</sup>) business day following the Release Effective Date;

(ii) prompt reimbursement following the Release Effective Date for the cost of health insurance continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), in excess of the cost of such benefits that active employees of the Company are required to pay, for a period of 12 months (or until Executive obtains individual or family coverage through another employer, if earlier) (the "COBRA Period"); provided that Executive elects COBRA coverage and subject to the conditions that: (A) Executive is responsible for immediately notifying the Company if Executive obtains alternative insurance coverage, (B) Executive will be responsible for the entire COBRA premium amount after the end of the COBRA Period; (C) if Executive declines COBRA coverage, then the Company will not make any alternative payment to Executive in lieu of paying for COBRA premiums, and (D) such COBRA reimbursement payments shall be paid on an after tax basis as additional taxable compensation to the Executive; provided, further, that Executive shall not be entitled to such reimbursement to the extent that Executive receives substantially equivalent, or more favorable, health insurance coverage under SPB benefit plans as in effect on the date of this Agreement;

(iii) full vesting on the Release Effective Date of 100% of the unvested options to purchase shares of Company stock that were awarded to Executive prior to the Separation Date, which are listed below, such that such options become exercisable as follows: (A) 48,408 options become exercisable on November 29, 2016; (B) 157,978 options become exercisable on November 29, 2016; (C) 3,611 options become exercisable on November 29, 2016; and (D) 48,408 options become exercisable on November 29, 2017; with “net settling” at the time taxes are incurred (by deducting cash or stock subject to each tranche of the award equivalent in value, as of the date taxation is triggered, to the tax then owed with respect to such tranche, with the tax calculated at the minimum applicable tax withholding rates), in each case subject to the Debt Limitations;

(iv) full vesting on the Release Effective Date of 100% of the unvested shares of restricted stock of the Company, that were awarded to Executive prior to the Separation Date, which are listed below, such that such shares shall be delivered as follows: (A) 110,212 restricted shares shall be delivered on November 29, 2016; (B) 393,496 restricted shares shall be delivered on November 29, 2016; (C) 6,868 restricted shares shall be delivered on November 29, 2016; and (D) 110,212 restricted shares shall be delivered on November 29, 2017; with “net settling” at the time taxes are incurred (by deducting cash or stock subject to each tranche of the award equivalent in value, as of the date taxation is triggered, to the tax then owed with respect to such tranche, with the tax calculated at the minimum applicable tax withholding rates), in each case subject to the Debt Limitations;

(v) a bonus for the Company’s 2016 fiscal year, payable in accordance with Schedule 1 hereto;

(vi) a bonus for the Company’s 2017 fiscal year equal to \$2,150,000, paid in a cash lump sum on the fifth (5<sup>th</sup>) business day after the Release Effective Date; and

(vii) subject to the provisions (x) and (y) of Section 3(a), all of the foregoing amounts and benefits in this Section 3(a) shall be non-forfeitable, and shall not be subject to reduction, in each case except to the extent provided in Section 3(f).

(b) No Other Bonus. Notwithstanding anything in this Agreement or elsewhere to the contrary, the Parties agree that, except as provided in Section 3(a)(vi) above, Executive shall not be entitled to receive any other annual bonus payment (including any payment under the Company’s NAV bonus plan) in respect of the Company’s 2017 fiscal year or thereafter.

(c) Other Benefits. Executive shall be entitled to receive, in each case promptly when due: Base Salary through the Separation Date; unused vacation time accrued through the Separation Date; reimbursement for appropriately documented and unreimbursed business expenses incurred through the Separation Date in accordance with the applicable terms of the Company’s policies; and FlexNet and 401(k) benefits (collectively, “Company Arrangements”); provided that the foregoing shall not apply to any severance benefits under any Company plan, program or arrangement not specifically provided for under this Agreement. The Company confirms that Executive holds awards, and owns shares, that are, or will be, vested before the Release Effective Date, and that no such shares or awards will be subject to forfeiture or reduction, except to the extent required by applicable law (including Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act) or by written company policy of general application implemented to satisfy the requirements of such law.

(d) Indemnification. To the extent permitted by law and the Company’s governing documents and applicable insurance agreements, the Company shall indemnify Executive, hold Executive harmless, and make advances for expenses (including attorneys and costs) to Executive (subject to Executive’s providing an undertaking to repay the Company that is reasonably acceptable to the Company) with respect to any and all losses, claims, demands, liabilities, costs, damages, expenses (including, without limitation, reasonable attorneys’ fees and expenses) and causes of action imposed on, incurred by, asserted against or to which Executive may otherwise become subject by reason of or in connection with any act or omission of Executive, including any negligent act or omission, for and on behalf of the Company that occurs during Executive’s employment with the Company or services on its Board, that Executive reasonably and in good faith believes is in furtherance of the interest of the Company, unless such act or omission constitutes gross negligence or intentional misconduct or is outside of the scope of Executive’s authority, provided, however, that this Section 3(d) shall not be construed to grant Executive a right to be indemnified by the Company for actions or proceedings brought by Company for breach or anticipated breach of this Agreement by Executive. Nothing in this Agreement shall reduce, or otherwise affect, any rights that Executive may otherwise have to indemnification or advancement under HRG corporate governance documents, under any indemnification agreement between Executive and HRG, or under applicable law.

(e) Consideration. Executive acknowledges and agrees that: (i) the Separation Benefits set forth above are adequate consideration for all of the terms of this Agreement, (ii) the Separation Benefits set forth above include significant benefits, monetary or otherwise, to which Executive was not already entitled without signing this Agreement and (iii) effective on the Release Effective Date, any monetary or other benefits which, prior to the execution of this Agreement, Executive may have earned or accrued or to which Executive may have been entitled either (x) will have been paid or provided, or (y) are expressly described in this Agreement (e.g., in Section 3(a) or 3(c) above), or (z) will have been released and waived pursuant to Section 4 below.

(f) Repayment. Executive acknowledges that notwithstanding any provision of this Section 3 to the contrary, to the extent that any portion of the Separation Benefits is incentive compensation that is required by applicable law (including Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act), or by written Company policy of general application implemented to satisfy the requirements of such law, to be subject to any clawback, forfeiture, recoupment or similar limitation, then such portion of the Separation Benefits shall be subject to such required clawback, forfeiture, recoupment or similar limitation, in each case to the extent reasonably determined by the Board.

(g) Taxes. Executive shall be responsible for the payment of any and all required federal, state, local and foreign taxes incurred, or to be incurred, by him in connection with benefits under this Agreement or under any other Company Arrangement. HRG shall have the right to withhold from all amounts and benefits payable to Executive under this Agreement, or under any other Company Arrangement, all federal, state, local and foreign taxes that are required to be withheld pursuant to any applicable law or regulation.

(h) Except as otherwise provided in Schedule 1 hereto and notwithstanding anything in this Agreement or elsewhere to the contrary, (x) with respect to any option (or portion thereof) to purchase shares of Company stock that is exercisable as of the Release Effective Date, Executive shall be permitted to exercise such option (or portion thereof) at any time from the date that such option (or portion thereof) first becomes exercisable through the first anniversary of the Release Effective Date (the "Expiration Date"), but if, commencing on the 45<sup>th</sup> day prior to the Expiration Date (the "Protection Date"), trading in the shares of common stock is prohibited by the Company's insider trading policy or federal securities laws, as applicable ("Blacked Out"), the Expiration Date shall be automatically extended until the date that is the 45<sup>th</sup> trading day that is not Blacked Out following the Protection Date; (y) with respect to any option (or portion thereof) to purchase shares of Company stock that will become exercisable after the Release Effective Date, Executive shall be permitted to exercise such option (or portion thereof) at any time starting from the date such option (or portion thereof) first becomes exercisable until the first anniversary of such date (the "Post-Release Expiration Date"), but if, commencing on the 45<sup>th</sup> day prior to the Post-Release Expiration Date (the "Post-Release Protection Date"), trading in the shares of common stock is Blacked Out, the Post-Release Expiration Date shall be automatically extended until the date that is the 45<sup>th</sup> trading day that is not Blacked Out following the Post-Release Protection Date; provided that in no event shall any exercise period under either clause (x) or (y) extend beyond the 10th anniversary of the date of grant of the option in question (or such earlier date as provided under Sections 12 or 13 of the Harbinger Group Inc. 2011 Omnibus Equity Award Plan, as amended through the Separation Date (the "Equity Plan")).

#### 4. Release and Waiver of Claims by Executive

**THIS SECTION PROVIDES, TO THE EXTENT SET FORTH BELOW, A COMPLETE RELEASE AND WAIVER OF ALL EXISTING AND POTENTIAL CLAIMS EXECUTIVE MAY HAVE AGAINST EVERY PERSON AND ENTITY INCLUDED WITHIN THE DESCRIPTION BELOW OF "COMPANY RELEASEE." BEFORE EXECUTIVE SIGNS THIS RELEASE, EXECUTIVE MUST READ THIS SECTION 4 CAREFULLY, AND MAKE SURE THAT EXECUTIVE UNDERSTANDS IT FULLY.**

(a) In consideration of Executive's receipt and acceptance of the consideration contained in this Agreement from and/or on behalf of Company Releasees, Executive, on Executive's own behalf and on behalf of each of Executive's heirs, executors, administrators, successors and assigns, (collectively, "Executive Releasers"), hereby irrevocably, unconditionally and generally releases:

(i) HRG;

(ii) any entity managed by HRG (collectively, "Designated Entities" and, together with HRG, the "HRG Entities"); and

(iii) any current or former shareholder, director, officer, partner, member, agent, attorney or employee, of any of the HRG Entities (the Persons described in Sections 4(a)(i) - (iii) being collectively "Company Releasees");

from any and all actions, causes of action, suits, debts, dues, sums of money, accounts, controversies, agreements, promises, damages, judgments, executions, liabilities, claims or demands, known or unknown and of any nature whatsoever (collectively, "Claims") that any Executive Releaser ever had, now has or may have as of the Release Effective Date of this Agreement, including any Claim arising directly or indirectly out of, or relating to, Executive's employment with the Company or any relationship with any Company Releasee, the payment or nonpayment of any compensation by any of the HRG Entities, the performance of services for the Company or any Company Releasee or the termination of such employment or services.

(b) Specifically, without limitation, the release in Section 4(a) shall include and apply to any Claim:

(i) arising under any contract or employment arrangement between the Parties, express or implied, written or oral, including the Employment Agreement and any bonus agreement;

(ii) for payment of any bonuses and other payments, except as otherwise provided in Section 3(a) and Section 3(c) above;

(iii) for constructive termination, unfair dismissal and/or wrongful dismissal or termination of employment;

(iv) arising under any applicable federal, state, local or other statutes, orders, laws, ordinances, regulations or the like, or case law, that relate to employment or employment practices and/or, specifically, that prohibit discrimination based upon age, race, religion, sex, national origin, pregnancy, disability or any other unlawful bases, including the United States Constitution, the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Civil Rights Acts of 1866 and 1871, the Americans with Disabilities Act of 1990, the Age Discrimination in Employment Act, the Family Medical Leave Act of 1993, the Pregnancy Discrimination Act of 1978, the Employee Retirement Income Security Act of 1974, the Workers Adjustment and Relocation Notice Act, the Equal Pay Act, the Sarbanes Oxley Act, and the Dodd Frank Act, and any similar applicable statutes, orders, laws, ordinances, regulations or the like, or case law, of the State of New York or any state in which any Company Releasee is subject to jurisdiction, and/or any political subdivision thereof, including the New York State Human Rights Law (including its prohibitions of age discrimination), the New York City Human Rights Law (including its prohibitions of age discrimination), the New York Labor Law, and the New York Civil Rights Law; or based upon any other federal, state or local statutes, orders, laws, ordinances, regulations or the like, to the fullest extent permitted by such law;

(v) for tortious or harassing conduct, infliction of mental distress, interference with contract, fraud, libel or slander, or on any other common law basis; and/or

(vi) for damages, including punitive or compensatory damages, or for attorneys' fees, expenses, costs, wages, injunctive or equitable relief.

(c) Notwithstanding any provision in this Agreement or elsewhere to the contrary, neither Executive nor any other Executive Releasor is waiving or releasing:

(i) any Claim for indemnification or advancement that Executive has under HRG corporate governance documents, under any indemnification agreement between Executive and HRG, or under applicable law ;

(ii) any Claim for vested benefits pursuant to the terms of the employee benefit plans in which Executive was a participant before the Separation Date;

(iii) any Claim with respect to deferred cash awards, stock options, restricted stock awards, or comparable awards that were granted to Executive and that vested on or before the Release Effective Date;

(iv) any Claim that arises after the Release Effective Date;

(v) any right to enforce Claims arising under, or preserved by, this Agreement; or

(vi) any Claim that cannot legally be waived or that is based on willful fraud or criminal misconduct.

#### 5. **Release and Waiver of Claims by the Company**

The Company, for and on behalf of the Company and its wholly-owned subsidiaries and their respective successors and assigns, to the maximum extent permitted by law, hereby acknowledges full and complete satisfaction of and absolutely and irrevocably and unconditionally fully and forever releases, acquits and discharges, each of the Executive Releasors from any Claim that HRG ever had, now has, or may have as of the date that the Company has executed this Agreement and delivered it to Executive; provided, however, that such release does not waive, release, or otherwise discharge any Claim that arises under or is preserved by this Agreement, that cannot legally be waived or that is based on willful fraud or criminal misconduct.

#### 6. **Acknowledgments**

By executing this Agreement, each Party agrees and acknowledges that:

(a) Such Party understands all of the terms of this Agreement, and such terms are fair and reasonable, and are not the result of any fraud, duress, coercion, pressure or undue influence exercised by or on behalf of any Person;

(b) Executive has been provided a reasonable period of time (*e.g.*, at least twenty one (21) days) to review and consider signing this Agreement;

(c) Executive has a period of seven (7) calendar days after the date of delivery of a signed Agreement to the Company (at 450 Park Avenue, 29th Floor, New York, NY 10022, Attention: Chief Executive Officer and General Counsel) in which Executive may revoke this Agreement (the "Revocation Period"), and that revocation must be made by delivery of written notice of revocation to the Company at 450 Park Avenue, 29th Floor, New York, NY 10022 Attention: Chief Executive Officer and General Counsel prior to the end of the Revocation Period;

(d) Executive has been directed by the Company to consult with, and has consulted with, an attorney of Executive's choice before signing this Agreement;

(e) In entering into this Agreement, neither Party is relying on any representation or statement

made or contained outside of those set forth in this Agreement, and each Party expressly disclaims reliance on any such representation or statement;

(f) Each Party has agreed to and entered into this Agreement and all of the terms hereof, knowingly, freely and voluntarily;

and

(g) Each Party expressly understands and acknowledges that it is possible that unknown losses or claims may exist or that present losses may have been underestimated in amount or severity, and that such Party explicitly took that into account in determining whether to give the releases described in Section 4 and 5 of this Agreement.

7. **Effect of This Agreement on the Employment Agreement**

No provision of the Employment Agreement (including, for the avoidance of doubt, Section 5 thereof), the Subsidiary Service Agreement or the Acknowledgement Letter shall survive following the Release Effective Date and all such agreements shall terminate, and become null and void, as of the Release Effective Date.

8. **Non-Admission**

This Agreement and the benefits provided under it are not intended to be, shall not be construed as, and are not an admission or concession by any Person of, any wrongdoing or illegal or actionable acts or omissions, and each Party expressly denies that such Party has engaged in any wrongdoing or illegal or actionable acts or omissions.

9. **Covenants Not to Sue**

(a) Executive represents and warrants that Executive has not filed or commenced any complaint, claim, action or proceeding of any kind against any Company Releasee with any federal, state or local court or any administrative, regulatory or arbitration agency or body. Executive agrees, on his own behalf and on behalf of each of the other Executive Releasers, not to commence, maintain, prosecute or participate as a party in any action or proceeding in any court or arbitration forum against the Company or any other Company Releasee with respect to any Claim that is released and waived by Section 4 of this Agreement. Executive further agrees, on his own behalf and on behalf of each of the other Executive Releasers, not to instigate, encourage, assist or participate in any court action or arbitration proceeding (but only to the extent that such action or proceeding relates to Claims released under Section 4 above) commenced by any other Person (except a government agency or as required by subpoena or court order) against the Company or any other Company Releasee. In the event that any government agency seeks to obtain any relief on behalf of Executive with regard to any Claim released and waived by Section 4 of this Agreement, Executive covenants (on behalf of himself and each of the other Executive Releasers) not to accept, recover or receive any monetary relief or award that may arise out of or in connection with any such proceeding.

(b) The Company represents and warrants that neither it nor its wholly-owned subsidiaries have filed or commenced any complaint, claim, action or proceeding of any kind against any Executive Releaser with any federal, state or local court or any administrative, regulatory or arbitration agency or body. The Company agrees, on behalf of itself its wholly-owned subsidiaries and their respective successors and assigns, to the maximum extent permitted by law, not to commence, maintain, prosecute or participate as a party in any action or proceeding in any court or arbitration forum against any Executive Releaser with respect to any Claim that is released and waived by Section 5 of this Agreement. The Company further agrees, on behalf of itself and its wholly-owned subsidiaries and their respective successors and assigns, to the maximum extent permitted by law, not to instigate, encourage, assist or participate in any court action or arbitration proceeding (but only to the extent that such action or proceeding relates to Claims released under Section 5 above) commenced by any other Person (except a government agency or as required by subpoena or court order) against the Company or any other Company Releasee.

10. **Noncompetition; Nonsolicitation**

(a) Executive shall not, directly or indirectly, whether on his own behalf, or as an employee, officer, director, manager, member, owner, consultant or agent of any other Person:

(i) while an employee of the Company and during the period ending on the eighteen (18) month anniversary of the Separation Date, solicit, entice, encourage or intentionally influence, or attempt to solicit, entice, encourage or influence, any employee of HRG to resign or leave the employ or engagement of HRG, or hire or employ such employee, in any capacity, in each case other than for the benefit of HRG; or

(ii) while an employee of the Company and during the period ending on the eighteen (18) month anniversary of the Separation Date, solicit any agent, advisor, independent contractor or consultant of HRG who is under contract or doing business with HRG to terminate, reduce or divert business with or from HRG.

(b) Notwithstanding anything in Subsections 10(a)(i) or 10(a)(ii) to the contrary, it shall not constitute a violation by Executive of such Subsections if SPB engages in any of the activities described in such Subsections without active involvement by Executive.

(c) If a final and non-appealable determination is made by a court or arbitrator of competent jurisdiction that any of the provisions of this Section 10 constitutes an unreasonable or otherwise unenforceable restriction against Executive, the provisions of this Section 10 will not be rendered void but will be deemed to be modified to the minimum extent necessary to remain in force and effect for the longest period and largest geographic area that would not constitute such an

unreasonable or unenforceable restriction (and such court or arbitrator shall have the power to reduce the duration or restrict or redefine the geographic scope of such provision and to enforce such provision as so reduced, restricted or redefined).

(d) Notwithstanding the fact that any provision of this Section 10 is determined not to be specifically enforceable, the Company will nevertheless be entitled to seek to recover monetary damages as a result of Executive's breach of any such provision.

(e) Executive acknowledges that this Section 10 constitutes a material term in this Agreement, without which the Company would not enter into this Agreement.

(f) Executive hereby agrees that prior to accepting employment with, or agreeing to provide services to, any Person (other than HRG and SPB) during any time period during which Executive remains subject to any of the covenants set forth in this Section 10, Executive shall provide such prospective employer or service recipient with a copy of this Section 10.

11. **Nondisclosure of Confidential Information.**

(a) Executive shall not at any time disclose, share, transfer or provide access to any unauthorized Person, or use for Executive's own purposes, any "Confidential Information" (as defined in Section 11(b) below) without the prior written consent of the Company, unless and to the extent that the aforementioned matters become generally known to and available for use by the public other than as a result of Executive's violation of duties owed to HRG; provided, however, that if Executive receives a request to disclose Confidential Information pursuant to a deposition, interrogatories, subpoena, civil investigative demand, governmental or regulatory process or similar process, or a request for information or documents in any judicial, arbitral, regulatory, self-regulatory, investigative, or other proceeding, (A) Executive shall, unless prohibited by law or by a representative of any governmental, regulatory or self-regulatory authority, promptly notify the Company in writing, and consult with and assist the Company (at the Company's sole cost and expense) in seeking a protective order or other appropriate remedy, (B) in the event that no such protective order or remedy is obtained, Executive shall disclose only that portion of the Confidential Information that he determines (on advice of counsel and at the Company's sole cost and expense) is legally required to be disclosed and shall (at the Company's sole cost and expense) exercise reasonable efforts to provide that the receiving Person shall agree to treat such Confidential Information as confidential in respect of the applicable proceeding or process, and (C) the Company shall be given an opportunity to review the Confidential Information prior to disclosure thereof.

(b) For purposes of this Agreement, "Confidential Information" shall mean confidential or proprietary information, observations or data (whether or not in written form) concerning the business or affairs of HRG or any Designated Entity that is not known to the public generally other than as a result of Executive's breach of any obligation owed to HRG or any Designated Entity, including Confidential Information relating to: investors, customers, suppliers or contractors or any other third parties in respect of which HRG or any Designated Entity has a business relationship or owes a duty of confidentiality, or their respective businesses or products; investment methodologies, investment advisory contracts, fees and fee schedules; the investment performance of accounts or funds managed by HRG or any Designated Entity ("Track Records"); technical information or reports; brand names, trademarks, formulas, or trade secrets; unwritten knowledge and "know-how"; operating instructions, training manuals, customer or investor lists, or customer buying records and habits; product sales records and documents; product development, marketing and sales strategies; market surveys, marketing plans, profitability analyses or product cost; long-range plans or any analyses or plans relating to the acquisition, disposition or development of businesses, securities or assets by HRG; to pricing, competitive strategies or new product development; to any forms of compensation or to other personnel-related information; or to contracts and supplier lists. Executive acknowledges and agrees that the Track Records were the work of teams of individuals and not any one individual and are the exclusive property of HRG and the Designated Entities, and agrees that he shall in no event claim any Track Record as his own following the Separation Date.

(c) Notwithstanding anything in this Section 11 or elsewhere to the contrary, Confidential Information shall in no event include information, observations, documents, or data relating to SPB.

(d) Without limiting the foregoing, Executive agrees to keep confidential the existence of, and any information concerning, any dispute between Executive and HRG except that Executive may disclose information concerning such dispute to the court or arbitrator that is considering such dispute or to their respective legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of such dispute).

(e) Nothing in this Agreement or elsewhere shall (i) restrict any Person from providing truthful testimony, or disclosing information, when required by law, subpoena, court order, arbitral order, or the like or in connection with any proceeding under Sections 15(b) or 17 of this Agreement, (ii) restrict any Person from making disclosures in confidence to any attorney, accountant or other professional for the purpose of securing professional advice, (iii) prevent Executive from retaining, and using appropriately, his Rolodex (and electronic equivalents) and documents and information relating to his entitlements and obligations; or (iv) prevent Executive from filing a charge with the Equal Employment Opportunity Commission or a comparable state or local agency.

12. **Company Property.** Executive acknowledges that all notes, formulas, records, files, or other proprietary written information, and all equipment or other physical property that belongs to HRG shall remain the property of HRG, shall not be used by Executive for any purpose other than carrying out his duties for HRG. On or about the Separation Date, Executive shall return any property of HRG and shall also provide Executive's iPad, iPhone and personal computer/tablet to the Company's IT department for removal of any information of HRG; provided, that Executive shall be entitled to retain his rolodex and any electronic equivalents, and any documents relating to Executive's compensation and benefits and any post-employment obligations to which Executive may be subject.

13. **Intellectual Property Rights.**

(a) The results and proceeds of Executive's employment with HRG (including, any such results or proceeds that contain trade secrets, products, services, processes, know-how, track record, designs, developments, innovations, analyses, drawings, reports, techniques, formulas, methods, developmental or experimental work, improvements, discoveries, inventions, ideas, source and object codes, programs, matters of a literary, musical, dramatic or otherwise creative nature, writings and other works of authorship, and any works in progress, whether or not patentable or registrable under copyright or similar statutes, that were made, developed, conceived or reduced to practice or learned by Executive in carrying out his duties for HRG, either alone or jointly with others) (collectively, "Inventions"), shall be works-made-for-hire and the Company (or, if applicable or as directed by the Board, any of its Subsidiaries or Affiliates) shall be deemed the sole owner throughout the universe of any and all trade secret, patent, copyright and other intellectual property rights of whatsoever nature therein (collectively, "Proprietary Rights"), whether or not now or hereafter known, existing, contemplated, recognized or developed, with the right to use the same in perpetuity in any manner the Board determines in its sole discretion, without any further payment to Executive for such use. If, for any reason, any of such results and proceeds shall not legally be a work-made-for-hire and/or there are any Proprietary Rights which do not accrue to the Company (or, as the case may be, any of its Subsidiaries or Affiliates) under the immediately preceding sentence, then Executive hereby irrevocably assigns and agrees to assign any and all of Executive's right, title and interest thereto, including any and all Proprietary Rights of whatsoever nature therein, whether or not now or hereafter known, existing, contemplated, recognized or developed, to the Company (or, if applicable or as directed by the Board, any of its Subsidiaries or Affiliates), and the Company or such Subsidiaries or Affiliates shall have the right to use the same in perpetuity throughout the universe in any manner determined by the Board or such Subsidiaries or Affiliates without any further payment to Executive whatsoever. As to any Invention that Executive is required to assign, Executive shall, upon reasonable written request by the Board, promptly and fully disclose to the Company all information known to Executive concerning such Invention.

(b) Executive agrees that, from time to time, upon receipt of reasonable written request from the Board and at the Company's sole cost and expense, Executive shall do any and all reasonable and lawful things that the Board may reasonably deem useful or desirable to establish or document the Company's exclusive ownership throughout the United States of America or any other country of any and all Proprietary Rights in any such Inventions, including the execution of appropriate copyright and/or patent applications or assignments. To the extent Executive has any Proprietary Rights in the Inventions that cannot be assigned in the manner described above, Executive unconditionally and irrevocably waives the enforcement of such Proprietary Rights. This Section 13(b) is subject to and shall not be deemed to limit, restrict or constitute any waiver by the Company of any Proprietary Rights to which the Company may be entitled by operation of law by virtue of Executive's employment with the Company. Executive further agrees that, from time to time, upon reasonable written request by the Board and at the Company's sole cost and expense, Executive shall assist the Company obtaining, and enforcing, Proprietary Rights relating to Inventions in any and all countries. To this end, Executive shall, upon the Board's reasonable written request and at the Company's sole cost and expense, execute, verify and deliver such documents and perform such other acts (including appearing as a witness) as may be reasonably requested in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such Proprietary Rights and the assignment thereof. In addition, Executive shall, upon the reasonable written request of the Company's General Counsel and at the Company's sole expense, execute, verify, and deliver assignments of such Proprietary Rights to the Company or its designees.

(c) Executive hereby waives and quitclaims to the Company any and all claims, of any nature whatsoever, that Executive now or may hereafter have for infringement of any Proprietary Rights assigned hereunder to the Company.

(d) The provisions of this Section 13 shall not apply to any result or proceed that arises in the course of, or relates to, Executive's employment with, or services for, SPB, and the terms "Inventions" and "Proprietary Rights" shall not be deemed to include any such result or proceed.

14. **Nondisparagement.**

(a) During Executive's employment with HRG and thereafter, and except in connection with carrying out his duties for HRG (including as a member of its Board) or SPB, Executive agrees not to make, publish or communicate at any time to any Person, including, but not limited to, customers, clients and investors of HRG or any Designated Entity, any Disparaging remark, comment or other statement concerning HRG or any Designated Entity.



(b) During Executive's employment with the Company and thereafter, HRG agrees that neither HRG nor any Designated Entity shall make, publish, or communicate to any Person, or authorize any Person to make, publish or communicate at any time to any Person any Disparaging remark, comment or other statement concerning Executive.

(c) For the purposes of this Section 14, "Disparaging" remarks, comments or statements are those that impugn the character, honesty, integrity, morality, business acumen or abilities of the Person being disparaged.

15. **Company Remedies and Injunctive Relief**

(a) The covenants, representations and acknowledgments made by the Parties in this Agreement shall survive the execution of this Agreement and the delivery of the Separation Benefits to be made hereunder. Except as may be prohibited by law, in the event that an independent arbitrator appointed pursuant to the Arbitration provision of the Employment Agreement (the "Arbitrator") finds that Executive has committed or is committing a material breach of any of the Restrictive Covenants resulting in material harm to the business or reputation of the Company, in the Arbitrator's discretion, (x) the Company Releasees may be excused and released from any obligation to make the Separation Payments contemplated by this Agreement and any installment thereof and/or (y) the Executive may be liable for any damages suffered or incurred by any Company Releasee by reason of such material breach. For avoidance of doubt, the Company shall be entitled to enforce the provision of clause (x) in Section 3(a), and of Section 3(f), through arbitration in accordance with Section 17(b). Under no circumstances will the Company be excused from paying an amount of \$5,000 of the total consideration paid to Executive under Section 3(a) of this Agreement.

(b) Executive acknowledges that a violation by Executive of any of the Restrictive Covenants could cause irreparable damage to the Company in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, Executive agrees that, notwithstanding any provision of this Agreement to the contrary, the Company may be entitled (without the necessity of showing economic loss or other actual damage and without the requirement to post a bond) to injunctive relief (including temporary restraining orders, preliminary injunctions and/or permanent injunctions) in any court of competent jurisdiction described in Section 17(c) for any actual or threatened breach of any of the Restrictive Covenants in addition to any other legal or equitable remedies it may have. The preceding sentence shall not be construed as a waiver of the rights that the Company may have for damages under this Agreement or otherwise, and all of the Company's rights shall be unrestricted except as otherwise provided in this Agreement.

16. **Protected Rights.**

Notwithstanding any other provision in this Agreement or any other agreement that Executive may have entered with the Company prior to the date hereof, including, but not limited to, the Employment Agreement and the Acknowledgement Letter (collectively, the "Agreements"), nothing contained in any of the Agreements (i) prohibit Executive from reporting to the staff of the Securities Exchange Commission ("SEC") possible violations of any law or regulation of the SEC, (ii) prohibit Executive from making other disclosures to the staff of the SEC that are protected under the whistleblower provisions of any federal securities laws or regulations or (iii) limit Executive's right to receive an award for information provided to the SEC staff in accordance with the foregoing. Please note that Executive does not need the prior authorizations of the Company to engage in such reports, communications or disclosures and Executive is not required to notify the Company if Executive engages in any such reports, communications or disclosures.

17. **Arbitration, Choice of Law and Venue**

(a) This Agreement shall in all respects be subject to, governed by, and enforced and construed pursuant to and in accordance with, the laws of the State of New York, without regard to and excluding the choice of law rules of any applicable jurisdiction.

(b) Except to the extent otherwise provided in Section 15(b) hereof with respect to certain claims for injunction relief, any controversy, claim or dispute that arises between HRG and Executive, or that relates to this Agreement, to any other Company Arrangement, to the Executive's employment with HRG or to the termination of Executive's employment with HRG, shall be resolved by binding confidential arbitration in accordance with the Commercial Arbitration Rules and Mediation Procedures (the "Rules") of the American Arbitration Association through a single arbitrator selected in accordance with the Rules. The decision of the arbitrator shall be rendered within thirty (30) days of the close of the arbitration hearing and shall include written findings of fact and conclusions of law. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof in the County of New York. In reaching his or her decision, the arbitrator shall have no authority (a) to change or modify any provision of this Agreement, (b) to base any part of his or her decision on the common law principle of constructive termination, or (c) to award punitive damages or any other damages not measured by the prevailing party's actual damages. The arbitrator may not make any ruling, finding or award that does not conform to this Agreement. Each Party shall bear all of his or its own legal fees, costs and expenses of arbitration and one-half (1/2) of the costs of the arbitrator.

(c) Any proceeding in aid of arbitration under Section 17(b), or to enforce, modify or vacate an arbitration award under Section 17(b), or to seek injunctive relief under Section 15(b), shall be brought in a state or federal court of competent subject matter jurisdiction situated in New York County, New York. Each Party consents to personal jurisdiction in any such court. In addition, each Party waives any right to assert that any such proceeding brought in any such court is in the

improper venue or should be transferred to a more convenient forum. Further, each Party waives any right such Party may otherwise have to a trial by jury in any proceeding governed by this Section 17.

18. **Miscellaneous.**

(a) The Company represents and warrants that (i) it is fully authorized by action of the Board (and of any other Person or body whose action is required) to enter into this Agreement and to perform its obligations under it, (ii) the execution, delivery and performance of this Agreement by it does not violate any applicable law, regulation, order, judgment or decree or any agreement, arrangement, plan or corporate governance document (x) to which it is a party or (y) by which it is bound and (iii) upon the execution and delivery of this Agreement by the Parties, this Agreement shall be its valid and binding obligation, enforceable against it in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(b) Executive represents and warrants that (i) delivery and performance of this Agreement by him does not violate any applicable law, regulation, order, judgment or decree or any agreement to which Executive is a party or by which he is bound and (ii) upon the execution and delivery of this Agreement by the Parties, this Agreement shall be a valid and binding obligation of Executive, enforceable against him in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

(c) This Agreement, Company Arrangements referred to in it, and Company Arrangements relating to grant awards received by Executive, constitute the complete understanding and agreement between the Parties with respect to the matters addressed in them. If any provision of this Agreement is determined to be void, voidable or unenforceable, it shall have no effect on the remainder of this Agreement, which shall remain in full force and effect.

(d) No provision of this Agreement may be amended, modified, waived or discharged except by a written document signed by Executive and a duly authorized officer of the Company (other than Executive). In the event of any conflict between the provisions of this Agreement and those of any other document, the provisions of this Agreement shall control. There shall be no contractual or similar restrictions imposed by HRG on Executive's activities after the Separation Date that are more restrictive on the Executive's activities than those set forth in this Agreement.

(e) The failure of any Person to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such Person's rights or deprive such Person of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. No failure or delay by any Person in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

(f) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and the Parties intend that no rule of strict construction will be applied against either Party. Wherever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limiting the foregoing in any respect." The words "hereof," "herein" and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Any reference to any rule, law, statute or regulation shall mean such rule, law, statute or regulation as amended, modified or supplemented from time to time.

(g) This Agreement may be executed in two counterparts and both such counterparts taken together shall be deemed to constitute one and the same instrument. Signatures delivered by facsimile (including by "pdf") shall be deemed effective for all purposes.

(h) The captions and underscoring in this Agreement are for convenience of reference only, shall have no legal effect, and do not define or limit the provisions hereof.

(i) In the event of Executive's death or a judicial determination of his incapacity, references in this Agreement to "Executive" shall be deemed (where appropriate) to be references to his heir(s), beneficiar(ies), estate, executor(s) or other legal representative(s).

(j) Executive shall be under no obligation to seek other employment or otherwise mitigate the obligations of HRG under this Agreement, and there shall be no offset against amounts or benefits due Executive under this Agreement or otherwise (except as expressly set forth in Section 3(a)(ii) above) on account of (x) any Claim that HRG may have against him or (y) any remuneration or other benefit earned or received by Executive after the Separation Date. Any amounts or benefits due under this Agreement are considered to be reasonable by the Company and are not in the nature of a penalty.

19. **409A**

(a) The Parties intend that this Agreement, and the delivery of benefits under Section 3 above, comply with the requirements of Section 409A, and that this Agreement be interpreted to comply with or be exempt from Section 409A. The Parties agree to negotiate in good faith to make amendments to this Agreement and any other Company Arrangement as are necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. Notwithstanding the foregoing,

Executive shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of Executive in connection with this Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold Executive (or any beneficiary) harmless from any or all of such taxes or penalties.

(b) Notwithstanding anything in this Agreement or elsewhere to the contrary, in the event that Executive is deemed to be a “specified employee” within the meaning of Section 409A(a)(2)(B)(i), no payments that are “deferred compensation” subject to Section 409A shall be made by HRG to Executive prior to the date that is six (6) months after the date of Executive’s “separation from service” (as defined in Section 409A) or, if earlier, Executive’s date of death. Following any applicable six (6) month (or shorter) delay, all such delayed payments will be paid in a single lump sum on the earliest permissible payment date. For purposes of Section 409A, each of the payments that may be made under this Agreement or under any other Company Arrangement is designated as a separate payment. Executive shall have no duties for HRG following the Separation Date that are inconsistent with his having had a “separation from service” on or before the Separation Date.

(c) For purposes of this Agreement and of any other Company Arrangement, with respect to payments of any amounts, or provision of any benefits, that are “deferred compensation” subject to Section 409A, references to “termination of employment” (and substantially similar phrases) shall be interpreted and applied in a manner that is consistent with the requirements of Section 409A relating to “separation from service”.

(d) Executive acknowledges that the Company has advised Executive to consult with an attorney regarding this Agreement, and how Section 409A applies to the Separation Benefits.

20. **Release Effective Date.**

Executive shall deliver his signature on this Agreement within twenty one (21) days following the date hereof to HRG Group, Inc., 450 Park Avenue, 29th Floor, New York, NY 10022, Attention: General Counsel. This Agreement will become final, binding and irrevocable upon expiration of the seven (7) day Revocation Period described in Section 6(c) without timely revocation by Executive (the “Release Effective Date”).

*Signature Page Follows*

IN WITNESS WHEREOF, and intending to be legally bound hereby, the Parties have hereunto set their hands.

David M. Maura  
/s/ David M. Maura  
Date: November 29, 2016

HRG Group, Inc.  
/s/ Ehsan Zargar  
Name: Ehsan Zargar  
Title: Senior Vice President,  
General Counsel & Corporate Secretary  
Date: November 29, 2016

**Exhibit A**

To: The Board of Directors of HRG Group, Inc.

Re: Resignation

Effective as of 11:59 pm eastern standard time on November 28, 2016, the undersigned hereby resigns (i) as an officer of HRG Group, Inc. (the "Company"), including, without limitation, as the Managing Director and Executive Vice President of Investments of the Company, (ii) as an officer of any direct or indirect subsidiary or affiliate of the Company, and (iii) from the board of directors (or equivalent body) of any direct or indirect subsidiary or affiliate of the Company (and any committee thereof of which the undersigned is a member); provided, that the foregoing resignation shall not apply to any positions that the undersigned holds with Spectrum Brands Holdings, Inc. or any of its subsidiaries or positions the undersigned holds on the Company's Board.

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David M. Maura

**Exhibit B**

To: The Board of Directors of HRG Group, Inc.

Re: Resignation

Effective as of 11:59 pm eastern standard time on [DATE], the undersigned, hereby resigns from the board of directors (or equivalent body) of the Company and any direct or indirect subsidiary or affiliate of the Company (and any committee thereof of which the undersigned is a member); provided, that the foregoing resignation shall not apply to any positions that the undersigned holds with Spectrum Brands Holdings, Inc. or any of its subsidiaries.

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David M. Maura

**Schedule 1**

**Cash Payments**

Executive will be paid the following lump sum amounts:

- 1) \$1,540,000 on the fifth (5<sup>th</sup>) business day after the Release Effective Date; and
- 2) \$1,815,080 on November 1, 2018.

**Stock Option Grant**

Executive will be granted fully vested stock options on the fifth (5<sup>th</sup>) business day after the Release Effective Date that will become exercisable on the dates set forth below and remain exercisable through the tenth anniversary of the date of grant and will have a per share exercise price equal to the Fair Market Value (as defined in the Equity Plan) on the date of grant.

<b><u>Number of Shares</u></b>	<b><u>Date Option Becomes Exercisable</u></b>
30,626	Date of Grant
30,626	First Anniversary of the Date of Grant
128,469	Second Anniversary of the Date of Grant
128,469	Third Anniversary of the Date of Grant

**HRG GROUP, INC.**  
**2011 OMNIBUS EQUITY AWARD PLAN, AS AMENDED**

**FORM OF EMPLOYEE NONQUALIFIED OPTION AWARD AGREEMENT**

THIS NONQUALIFIED OPTION AWARD AGREEMENT (the "Agreement"), is made, effective as of [\_\_\_\_], 2016 (the "Date of Grant"), between HRG Group, Inc. (the "Company"), and **David Maura** (the "Participant").

**RECITALS:**

WHEREAS, the Company has adopted the HRG Group, Inc. 2011 Omnibus Equity Award Plan, as amended through the Date of Grant (the "Plan"), pursuant to which Options may be granted; and

WHEREAS, the Board of Directors of the Company has determined that it is in the best interests of the Company and its stockholders to grant to the Participant an Option as provided herein and subject to the terms set forth herein.

NOW THEREFORE, for and in consideration of the premises and the covenants of the parties contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto, for themselves, their successors and assigns, hereby agree as follows:

**1. Grant of Option.**

(a) **Grant.** The Company hereby grants to the Participant an Option (the "Option") to purchase **318,190** shares of Common Stock (such shares, the "Option Shares"), on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. The Option is not intended to qualify as an Incentive Stock Option. The Exercise Price, being the price at which the Participant shall be entitled to purchase the Option Shares upon the exercise of all or any portion of the Option, shall be \$[ ] per Option Share.

(b) **Incorporation by Reference, Etc.** The provisions of the Plan are hereby incorporated herein by reference. Except as otherwise expressly set forth herein, this Agreement shall be construed in accordance with the provisions of the Plan and any capitalized terms not otherwise defined in this Agreement shall have the definitions set forth in the Plan. In the event of a conflict between the separation agreement between the Participant and the Company dated November 28, 2016 (the "Separation Agreement") and this Agreement or any other document, the terms and conditions of the Separation Agreement shall govern. The Committee shall have final authority to interpret and construe the Plan and this Agreement and to make any and all determinations under them, and its decision, to the extent consistent with this Agreement, shall be binding and conclusive upon the Participant and his legal representative in respect of any questions arising under the Plan or this Agreement.

(c) **Vesting.** Except for such earlier vesting or exercisability as may otherwise be provided for under the Plan, the Option shall become vested and exercisable with respect to the **318,190** shares that are subject to it as follows: **30,626** shall be vested and exercisable on the fifth business day after the Release Effective Date (as defined in the Separation Agreement), **30,626** shall be vested and exercisable on the first anniversary of the Date of Grant, **128,469** shall be vested and exercisable on the second anniversary of the Date of Grant and **128,469** shall be vested and exercisable on the third anniversary of the Date of Grant (each such date, a "Vesting Date"). Any fractional Option Shares resulting from the application of the vesting schedule shall be aggregated and the Option Shares resulting from such aggregation shall vest on the final Vesting Date.

**2. Transferability.** The Option may not be assigned, alienated, pledged, attached, sold, gifted, loaned or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, pursuant to a qualified domestic relations order or as otherwise permitted under of the Plan. In the event of the Participant's death, the Option shall thereafter be exercisable (to the extent otherwise exercisable hereunder) only by the Participant's executors or administrators.

**3. Expiration.** Once vested, the Option shall remain exercisable until the tenth anniversary of the Date of Grant, except as otherwise provided in Section 12 and 13 of the Plan and except for any period during which trading in the shares subject to the Option is "Blacked Out" (as such term is defined in the Separation Agreement). Notwithstanding anything else herein or the Separation Agreement to the contrary, in no event shall all or any portion of the Option be exercisable after the tenth anniversary of the Date of Grant (the "Option Period").

**4. Method of Exercise.**

(a) Options which have become exercisable may be exercised by delivery of a duly executed written notice of exercise to the Company at its principal business office using such form(s) as may be required from time to time by the Company. The Participant may obtain such form(s) by contacting the Legal Department at the address set forth in Section 9(a) below.



(b) No Option Shares shall be delivered pursuant to any exercise of the Option until payment in full of the Exercise Price therefor is received by the Company in accordance with Section 7(d) of the Plan or Section 4(c) of this Agreement and the Participant has paid to the Company an amount equal to any federal, state, local and non-U.S. income and employment taxes required to be withheld, either directly or as provided in Section 4(c) or 6 of this Agreement.

(c) Subject to applicable law, the Exercise Price and applicable tax withholding shall be payable by (i) cash or cash equivalents (including certified check or bank check or wire transfer of immediately available funds), (ii) tendering previously acquired Common Stock (either actually or by attestation) valued at their then Fair Market Value, (iii) a “net exercise” procedure effected by withholding the minimum number of Option Shares otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable required withholding taxes, and (iv) such other method which is approved by the Committee. Any fractional shares of Common Stock shall be settled in cash.

5. **Rights as a Shareholder.** The Participant shall not be deemed for any purpose to be the owner of any Option Shares unless, until and to the extent that (i) this Option shall have been exercised pursuant to its terms, (ii) the Company shall have issued and delivered to the Participant the Option Shares, and (iii) the Participant’s name shall have been entered as a shareholder of record with respect to such Option Shares on the books of the Company.

6. **Tax Withholding.** The exercise of the Option (or any portion thereof) shall be subject to the Participant satisfying any applicable federal, state, local and foreign tax withholding obligations. The Company shall have the power and the right to deduct or withhold from all amounts payable to the Participant in connection with the Option or otherwise, or require the Participant to remit to the Company, an amount sufficient to satisfy any applicable taxes required by law. In addition, the Committee shall permit the Participant to satisfy, in whole or in part, the foregoing withholding liability by (A) the delivery of shares of Common Stock (which are not subject to any pledge or other security interest and which would not result in adverse accounting to the Company) owned by the Participant having a Fair Market Value equal to such withholding liability or (B) having the Company withhold from the number of Option Shares otherwise issuable or deliverable pursuant to the exercise of the Option Shares a number of shares with a Fair Market Value equal to such withholding liability (but no more than the minimum required statutory withholding liability), in each case subject to any restrictions set forth in the Separation Agreement (which includes the Debt Limitations (as set forth in the Participant’s Employment Agreement and as further set forth in the Separation Agreement)). The obligations of the Company under this Agreement will be conditional on such payment or arrangements, and the Company will, to the extent permitted by law, have the right to deduct any such withholding taxes from any payment of any kind otherwise due to the Participant.

7. **Miscellaneous.**

(a) **Notices.** All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be by registered or certified first-class mail, return receipt requested, telecopier, courier service or personal delivery:

if to the Company:

HRG Group, Inc.  
450 Park Avenue  
29th Floor  
New York, NY, 10022  
Facsimile: 212-906-8559  
Attention: General Counsel

if to the Participant, at the Participant’s last known address on file with the Company.

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five business days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied.

(b) **Clawback/Forfeiture.** If the Participant receives any amount in excess of what the Participant should have received with respect to the Option Shares for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company upon 30 days prior written demand by the Committee. To the extent required by applicable law (including without limitation Section 304 of the Sarbanes Oxley Act and Section 954 of the Dodd Frank Act), the Option Shares shall be subject to any required clawback, forfeiture or similar requirement.

(c) **Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law.

(d) **No Rights to Service.** Nothing contained in this Agreement shall be construed as giving the Participant any right to be retained, in any position as an employee, consultant or director of the Company or its Affiliates or shall interfere with

or restrict in any way the rights of the Company or its Affiliates, which are hereby expressly reserved, to remove, terminate or discharge the Participant at any time for any reason whatsoever.

(e) Bound by Plan. By signing this Agreement, the Participant acknowledges that he has received a copy of the Plan and has had an opportunity to review the Plan and agrees to be bound by all the terms and provisions of the Plan to the extent that it is consistent with this Agreement and with the Separation Agreement.

(f) Beneficiary. The Participant may file with the Committee a written designation of a beneficiary on such form as may be prescribed by the Committee and may, from time to time, amend or revoke such designation. If no designated beneficiary survives the Participant, the executor or administrator of the Participant's estate shall be deemed to be the Participant's beneficiary.

(g) Successors. The terms of this Agreement shall be binding upon and inure to the benefit of the Company, its successors and assigns, and the Participant and the beneficiaries, executors, administrators, heirs and successors of the Participant.

(h) Section 409A. The Option is intended to be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted consistent therewith. This Agreement is subject to Section 15(t) of the Plan.

(i) Electronic Delivery. By executing this Agreement, the Participant hereby consents to the electronic delivery of prospectuses, annual reports and other information required to be delivered by Securities and Exchange Commission rules. This consent may be revoked in writing by the Participant at any time upon three business days' notice to the Company, in which case subsequent prospectuses, annual reports and other information will be delivered in hard copy to the Participant.

(j) Securities Laws. The Participant agrees that the obligation of the Company to issue Option Shares shall also be subject, as conditions precedent, to compliance with applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, state securities or corporation laws, rules and regulations under any of the foregoing and applicable requirements of any securities exchange upon which the Company's securities shall be listed.

(k) Acknowledgment. The Participant and the Company acknowledge and agree that this Agreement represents the Options required to be granted to the Participant pursuant to the Separation Agreement (as set forth on Schedule 1 of the Separation Agreement) and that no other Options were granted to Participant on or about November 28, 2016 and any documentation with respect to Options granted to the Participant on or about November 28, 2016 is null and void and canceled in its entirety.

(l) Entire Agreement. This Agreement, the Separation Agreement, and the Plan contain the entire agreement and understanding of the parties hereto with respect to the subject matter contained herein and supersede all prior communications, representations and negotiations in respect thereto. No change, modification or waiver of any provision of this Agreement shall be valid unless the same be in writing and signed by the parties hereto.

(m) Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflicts of law thereof, or principals of conflicts of laws of any other jurisdiction which could cause the application of the laws of any jurisdiction other than the State of Delaware.

(n) Headings. The headings of the Sections hereof are provided for convenience only and are not to serve as a basis for interpretation or construction, and shall not constitute a part, of this Agreement.

(o) Signature in Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. Signatures delivered by facsimile (including, without limitation, by "pdf") shall be effective for all purposes.

*Signature Page Follows*

IN WITNESS WHEREOF, the Company and the Participant have executed this Agreement as set forth below.

David M. Maura

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Date:

HRG Group, Inc.

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Name: Ehsan Zargar

Title: Senior Vice President,

General Counsel & Corporate Secretary

Date:

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO RULE 13a-14(a) or 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Omar M. Asali, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of HRG Group, Inc. for the fiscal year ended September 30, 2016; and
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 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.

Date: January 27, 2017

/s/ OMAR M. ASALI

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Omar M. Asali

President and Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO RULE 13a-14(a) or 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, George C. Nicholson, certify that:

1. I have reviewed this Amendment No. 1 to the annual report on Form 10-K of HRG Group, Inc. for the fiscal year ended September 30, 2016; and
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 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.

Date: January 27, 2017

/s/ GEORGE C. NICHOLSON

George C. Nicholson

Senior Vice President, Chief Accounting Officer and Chief Financial Officer