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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)  
Under the Securities Exchange Act of 1934

-----  
Harbinger Group Inc.  
(Name of Issuer)

-----  
Common Stock, par value \$0.01 per share  
(Title of class of securities)

-----  
41146A106  
(CUSIP number)

Michael J. Sharp  
Executive Vice President and General Counsel  
LEUCADIA NATIONAL CORPORATION  
520 Madison Avenue  
New York, New York 10022

With a copy to:

Andrea A. Bernstein, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153

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(Name, address and telephone number of person  
authorized to receive notices and communications)

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March 18, 2014  
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box [X].

Note: Schedules filed in paper format shall include a signed original and five copies of the Schedule, including all exhibits.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section of the Exchange Act but shall be subject to all other provisions of the Exchange Act.

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1	Name of Reporting Person: S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON:	Leucadia National Corporation
2	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:	(a) <input type="checkbox"/> (b) <input type="checkbox"/>
3	SEC USE ONLY	
4	SOURCE OF FUNDS:	WC
5	CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e):	<input type="checkbox"/>
6	CITIZENSHIP OR PLACE OF ORGANIZATION:	New York
	NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	
7	SOLE VOTING POWER:	0
8	SHARED VOTING POWER:	18,632,180*
9	SOLE DISPOSITIVE POWER:	0
10	SHARED DISPOSITIVE POWER:	41,632,180*
11	AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON:	41,632,180
12	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES:	<input type="checkbox"/>
13	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11):	28.6%**
14	TYPE OF REPORTING PERSON:	HC, CO

\* See Explanatory Note.

\*\* See Item 5 for discussion of calculation of percentage ownership.

## EXPLANATORY NOTE

This Statement on Schedule 13D reflects that as of March 18, 2014, the beneficial ownership of Leucadia National Corporation through various subsidiaries (“Leucadia” or “we”) of the common stock, par value \$0.01 per share of Harbinger Group Inc. (“HGI” or the “Company”) is being reported on Schedule 13D instead of Schedule 13G.

### Item 1. Security and Issuer.

The class of equity securities to which this Statement on Schedule 13D (this “Statement”) relates is the common stock, par value \$0.01 per share (the “Common Stock”), of the Company, with its principal executive offices located at 450 Park Avenue, New York, New York 10022.

### Item 2. Identity and Background.

(a) Leucadia’s principal executive office is located at 520 Madison Avenue, New York, New York 10022.

(b), (c) and (f) The name, residence or business address, present principal occupation or employment (including the name, principal business and address of any corporation or other organization in which such employment is conducted) and place of citizenship of each executive officer and director of Leucadia are set forth on Schedule I attached hereto (collectively, the “Scheduled Persons,” and each a “Scheduled Person”) and are incorporated herein by reference.

(d) Neither Leucadia nor any of the Scheduled Persons has during the last five years been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, neither Leucadia nor any of the Scheduled Persons was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws. See Schedule I(e), which is attached hereto and incorporated herein by reference.

### Item 3. Source and Amount of Funds or Other Consideration.

The aggregate amount of funds used by Leucadia to beneficially acquire the 23,000,000 shares of Common Stock reported herein was \$253 million. Such purchase of Common Stock was funded by working capital of Leucadia.

### Item 4. Purpose of Transaction.

(a)-(j)

On March 18, 2014, Leucadia entered into a Preferred Securities Purchase Agreement with Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (collectively, the “Sellers”) pursuant to which Leucadia purchased from the Sellers an aggregate of 23,000,000 preferred securities of newly formed subsidiaries of each Seller (the “Preferred Shares”) at a price of \$11.00 per Preferred Share. The transaction closed on March 21, 2014.

Pursuant to an Exchange Agreement, dated March 21, 2014, among Leucadia and the Sellers, upon receipt of approvals from the insurance regulators of the Company's insurance subsidiary, Fidelity & Guaranty Life, Leucadia will exchange each Preferred Share for a share of Common Stock, (such shares of Common Stock, the "Subject Shares") owned by the Sellers. While awaiting insurance regulatory approval, the Sellers retain the right to vote the Subject Shares in their sole discretion and during this period Leucadia may from time to time sell all or a portion of the Subject Shares and receive the proceeds from such sale for its own account, as a result of which Leucadia is deemed to have acquired beneficial ownership of the Subject Shares. In connection with the foregoing, the Sellers assigned certain registration rights with respect to the Subject Shares to Leucadia. Pursuant to a Pledge and Security Agreement and a Cash and Securities Deposit Agreement, the Sellers granted a security interest in the Subject Shares in favor of Leucadia and the Subject Shares were placed in escrow.

On March 18, 2014, in connection with the entering into the transaction to acquire the Preferred Shares, Leucadia entered into an agreement with the Company (the "Letter Agreement"). Under the Letter Agreement, upon receipt of insurance regulatory approval, the Company will increase the size of its board and provide us the right for two years to designate two directors to the Company's board of directors, subject to reduction in certain circumstances. We currently anticipate that insurance regulatory approval will take several months, and expect to appoint Joseph S. Steinberg, our Chairman, and Andrew Whittaker, Vice Chairman Leucadia, as designees upon receipt of such approval. Prior to regulatory approval, we will have the right to appoint two observers to the Company's board; however, we do not intend to exercise that right without prior consultation with the applicable insurance regulators. We agreed, subject to certain exceptions, for two years, without the Company's prior approval, not to acquire additional shares or voting rights of the Company that would increase our beneficial ownership above 27.5% of the voting power of the Company's outstanding securities, to restrict our ability to make certain proposals or solicit proxies, and to not sell our investment in the Company to counterparties who hold, or after giving effect to a sale would hold, in excess of 4.9% of the Company's common stock. We also agreed for a two year period to vote in favor of the slate of directors nominated by the Company's board.

The foregoing is a summary of the material terms of the Purchase Agreement, the Exchange Agreement, and Letter Agreement and is qualified in its entirety by reference to the Purchase Agreement, the Exchange Agreement and the Letter Agreement, which are filed as Exhibits hereto, and are incorporated herein by reference.

Leucadia has acquired beneficial ownership of the shares of Common Stock referred to in Item 5 in order to obtain a substantial equity interest in the Company. Subject to restrictions contained in the Letter Agreement, Leucadia may acquire or seek to acquire additional shares of Common Stock or sell or seek to sell shares of Common Stock, depending upon our view of the Company's prospects, prevailing prices and market conditions, from time to time in the open market, in privately negotiated transactions, or otherwise. Except as disclosed herein, Leucadia presently does not have any plans or proposals to seek control of the Company.

Except as disclosed herein, Leucadia has no present plans or intentions which would result in or relate to any of the transactions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D.

Item 5. Interest in Securities of the Issuer.

(a) As of the close of business on the date of this Statement, through various subsidiaries Leucadia may be deemed to beneficially own an aggregate of 41,632,180 shares of the Company's Common Stock, including the 23,000,000 Subject Shares as a result of our current right to

sell such Subject Shares), representing approximately 28.6% of the issued and outstanding shares of the Company's Common Stock (approximately 20.1%, assuming the conversion of all of the Company's Series A Participating Preferred Stock and its Series A-2 Participating Preferred Stock). All percentages in this Item 5 are based on the 145,613,286 shares of Common Stock represented as being outstanding as of March 17, 2014 by the Sellers in the Preferred Securities Purchase Agreement.

(b) Item 5(a) and the responses of Leucadia to Rows 7, 8, 9, 10, 11 and 13 are incorporated herein by reference.

(c) Except as otherwise described herein, Leucadia has not effected any transactions in Common Stock during the past sixty days.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

The response to Item 4 above is hereby incorporated by reference.

Simultaneously with the entry into the Purchase Agreement, Leucadia, the Company and the Sellers entered into an Acknowledgement to the Registration Rights Agreement (the "Acknowledgement") with the Company, and the Sellers providing generally that the Subject Shares have the benefit of the Registration Rights Agreement, dated as of September 10, 2010 and amended May 12, 2011, by and among the Company and the Sellers, and Leucadia as a result of the Joinder to the Registration Rights Agreement, dated as of September 27, 2013, by and between Leucadia and the Company. The Acknowledgement is filed as an Exhibit hereto and is incorporated herein by reference.

Item 7. Materials to Be Filed as Exhibits.

99.1 Preferred Securities Purchase Agreement, dated March 18, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (incorporated by reference to Exhibit 2.1 to the Form 8-K/A filed by Leucadia National Corporation on March 18, 2014 (the "8-K/A").

99.2 Acknowledgement to the Registration Rights Agreement, dated March 18, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (incorporated by reference to Exhibit 10.1 to the 8-K/A).

99.4 Letter Agreement, dated March 18, 2014, by and between Leucadia National Corporation and Harbinger Group Inc. (incorporated by reference to Exhibit 10.2 to the 8-K/A).

99.5 Exchange Agreement, dated March 21, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd.

- 99.6 Cash and Securities Deposit Agreement, dated March 20, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd. and Jefferies LLC.
- 99.7 Pledge and Security Agreement, dated March 21, 2014 by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd. and Jefferies LLC.
- 99.8 Joinder to Registration Rights Agreement dated as of September 27, 2013 by and among Leucadia, Harbinger Group Inc., Harbinger Capital Partners Master Fund I, Ltd., Global Opportunities Breakaway Ltd. and Harbinger Capital Partners Special Situations Fund, L.P., dated as of September 10, 2010, as amended on May 12, 2011.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 28, 2014

LEUCADIA NATIONAL CORPORATION

By: /s/ Joseph A. Orlando

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Name: Joseph A. Orlando

Title: Vice President and Chief Financial  
Officer

## Schedule I

### DIRECTORS AND EXECUTIVE OFFICERS OF LEUCADIA NATIONAL CORPORATOIN

The name, business address, present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted, of each of the directors and executive officers of Leucadia National Corporation is set forth below. The business address of each person listed below is c/o Leucadia National Corporation, 520 Madison Avenue, New York, NY 10022. To the knowledge of Leucadia, each person listed below is a citizen of the United States.

<u>Name and Business Address</u>	<u>Present Principal Occupation or Employment and Name and Principal Address of Corporation in which Employment is Conducted at Leucadia</u>
	<b>Directors</b>
Linda L. Adamany	Director of Leucadia, Retired BP plc executive
Robert D. Beyer	Director of Leucadia Chairman of Chaparal Investments LLC.
Francisco L. Borges	Director of Leucadia, Chairman of Landmark Partners, Inc.
W. Patrick Campbell	Director of Leucadia, Independent Consultant, Former Chairman and CEO of Magex Limited
Brian P. Friedman	Director of Leucadia, President of Leucadia
Richard B. Handler	Director of Leucadia, Chief Executive Officer of Leucadia
Robert E. Joyal	Director of Leucadia, Retired President of Babson Capital Management LLC
Jeffrey C. Keil	Director of Leucadia Private Investor, Retired President of Republic New York Corporation
Michael T. O’Kane	Director of Leucadia, Retired Senior Managing Director of TIAA-CREF
Stuart H. Reese	Director of Leucadia, Retired President and CEO of Mass Mutual
Joseph S. Steinberg	Chairman of the Board of Leucadia

#### **Executive Officers**

Richard B. Handler	Chief Executive Officer
Brian P. Friedman	President



Barbara L. Lowenthal	Vice President and Comptroller
Thomas E. Mara	Executive Vice President
Rocco J. Nittoli	Vice President and Treasurer
Joseph A. Orlando	Vice President and Chief Financial Officer
Michael J. Sharp Joseph S. Steinberg	Executive Vice President and General Counsel Chairman
Justin R. Wheeler	Vice President and Chief Operating Officer

(e) As disclosed in Leucadia's Form 10-K for the year ended December 31, 2013, Leucadia's subsidiary, Jefferies LLC, has entered into a settlement agreement with the SEC relating to an investigation of the purchases and sales of mortgage-backed securities (MBS). That investigation arose from a matter that came to light in late 2011, at which time Jefferies terminated an (MBS) trader who was then indicted by the United States Attorney for the District of Connecticut in January 2013 and subsequently convicted, and was separately charged in a civil complaint by the SEC. In addition to a monetary fine, the settlement agreement found that the subsidiary had failed reasonably to supervise the trader and others on the MBS desk because the subsidiary failed to implement procedures regarding review of correspondence in a manner that would reasonably be expected to prevent and detect the violations by the trader and certain others.

## Exhibit Index

- 99.1 Preferred Securities Purchase Agreement, dated March 18, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (incorporated by reference to Exhibit 2.1 to the Form 8-K/A filed by Leucadia National Corporation on March 18, 2014 (the “8-K/A”).
- 99.2 Acknowledgement to the Registration Rights Agreement, dated March 18, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd. (incorporated by reference to Exhibit 10.1 to the 8-K/A).
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- 99.5 Exchange Agreement, dated March 21, 2014, by and among Leucadia National Corporation, Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd.
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**EXCHANGE AGREEMENT**

by and among

Harbinger Capital Partners Master Fund I, Ltd.,

Global Opportunities Breakaway Ltd.,

Harbinger Capital Partners Special Situations Fund, L.P.

and

Leucadia National Corporation

March 21, 2014

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## EXCHANGE AGREEMENT

EXCHANGE AGREEMENT (this “**Agreement**”), dated March 21, 2014, by and among Harbinger Capital Partners Master Fund I, Ltd., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability (the “**Master Fund**”), Global Opportunities Breakaway Ltd., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability (“**Global Fund**”), Harbinger Capital Partners Special Situations Fund, L.P., a Delaware limited partnership (the “**Special Situations Fund**” together with the Master Fund and Global Fund, the “**Sellers**,” and each a “**Seller**”), and Leucadia National Corporation, a New York Corporation (or, at its designation but subject to compliance with the terms and conditions of Section 11.9 of the Purchase Agreement (as defined below), one or more of its direct or indirect wholly-owned Subsidiaries, the “**Purchaser**”). Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement.

WHEREAS, the Purchaser and the Sellers entered into that certain Preferred Securities Purchase Agreement, dated as of March 18, 2014 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its terms, the “**Purchase Agreement**”), pursuant to which the Purchaser acquired the Preferred Securities from the Sellers, subject to the terms and conditions contained therein;

WHEREAS, pursuant to the terms of the Purchase Agreement and the Escrow Agreement, the Sellers delivered to and deposited with the Escrow Agent one or more certificates (or, at such Sellers’ option, through delivery by electronic book entry form) representing the Company Shares; and

WHEREAS, the Purchaser and the Sellers desire to enter into this Agreement to provide for the exchange of the Preferred Securities for Company Shares and/or cash, subject to the terms and conditions set forth in this Agreement and in the Purchase Agreement.

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

1. The Exchange. Subject to the terms and conditions set forth in this Agreement and compliance with applicable law, the Purchaser shall have the right from time to time (including on one or more occasions) to exchange all or a portion of the MF Preferred Securities with the Master Fund, all or a portion of the GOB Preferred Securities with Global Fund and all or a portion of the SSF Preferred Securities with the Special Situations Fund (each, an “**Exchange**”) for:

(a) Company Shares on a one-for-one basis (subject to adjustment pursuant to Section 3) (the “**Securities Exchange Ratio**”), *plus* all dividends issued or other distributions made or other consideration received (whether in cash, assets, stock or any other type) in respect of such Company Shares on or after the date of this Agreement, and any and all interest earned or accrued in respect thereof (the “**Proceeds**”) to the extent not previously distributed to the Purchaser in accordance with Section 5 and the Escrow Agreement (such exchange, the “**Securities Exchange**”); or

(b) the gross proceeds (net of any and all underwriting commissions paid to Jefferies LLC and any other fees and expenses incurred in connection with such Exchange not paid by the Company under the Registration Rights Agreement, and subject to Section 6(e)) resulting from the sale, transfer or other disposition (conducted in accordance with Section 4) of the number of Company Shares determined using the Securities Exchange Ratio (subject to adjustment pursuant to Section 3) (collectively, the “**Securities Disposition**”), *plus* all Proceeds received in respect of such Company Shares prior to the date of the Securities Disposition to the extent not previously distributed to the Purchaser in accordance with Section 5 and the Escrow Agreement (such exchange, the “**Cash Exchange**”); provided, however, that notwithstanding the foregoing or anything to the contrary herein, each Securities Disposition and any Cash Exchange shall be subject to and conditioned upon any limitations or other restrictions applicable to the Purchaser under the Registration Rights Agreement and compliance with applicable law.

For the avoidance of doubt, the Purchaser may elect to effectuate the Securities Exchange in respect of one portion of the Preferred Securities and elect to effectuate the Cash Exchange in respect of another portion of the Preferred Securities, in each case on one or more occasions; provided, however, that notwithstanding the foregoing or anything to the contrary herein or in any other Ancillary Agreement, but subject to Section 2(a), the Purchaser shall have the obligation promptly upon receipt of all approvals necessary from the applicable insurance regulators for the Purchaser to hold the Company Shares to consummate a Securities Exchange for all of the MF Preferred Securities with the Master Fund, all of the GOB Preferred Securities with Global Fund and all of the SSF Preferred Securities with the Special Situations Fund, in each case to the extent not previously exchanged in accordance with this Agreement and the Escrow Agreement.

## 2. The Exchange Closing.

(a) The closing of any Exchange (an “**Exchange Closing**”) shall take place at the offices of Leucadia National Corporation, 520 Madison Avenue, New York, New York 10022 following the delivery by the Purchaser to the Sellers of written notice of its election to consummate an Exchange (an “**Exchange Notice**”) at such time and date as set forth in the Exchange Notice (or if not specified in the Exchange Notice, four Business Days after the date such Exchange Notice is delivered); provided, that the Purchaser shall not be entitled to deliver an Exchange Notice in respect of a Securities Exchange unless and until it has received all approvals necessary from the applicable insurance regulators for the Purchaser to hold such Company Shares. Notwithstanding the foregoing or anything to the contrary herein or in the Purchase Agreement or any Ancillary Agreement, the Purchaser shall not be entitled to deliver an Exchange Notice in respect of a Securities Exchange to the extent such Securities Exchange would result in the Purchaser having (as a result of its Beneficial Ownership over Company Shares following such Securities Exchange) the right to control 35% or more of the total voting rights of all issued and outstanding voting securities of the Company (for the avoidance of doubt, taking into account any voting limitations in respect of the outstanding Preferred Stock); provided, however, that upon receipt of all approvals necessary from the applicable insurance regulators for the Purchaser to hold the Company Shares, the Purchaser shall deliver an Exchange Notice in respect of a Securities Exchange up to just under such 35% ownership limitation and an Exchange Notice in respect of a Cash Exchange for the balance of the Preferred Securities to be exchanged in excess of such 35% ownership limitation. Each Exchange Notice

shall set forth the type of Exchange(s) to be consummated and identify the Preferred Securities that will be subject to the Exchange. In connection with and in advance of any Exchange Closing, the Purchaser shall deliver a Deposit Release Notice (as defined in the Escrow Agreement) to the Escrow Agent to release the applicable certificates (or through delivery by electronic book entry form) representing the Company Shares and the Proceeds, in each case, required to be delivered to the Purchaser as set forth on the applicable Exchange Notice in connection with such Exchange under Sections 2(b) and 2(c), as applicable.

(b) At an Exchange Closing in respect of a Securities Exchange:

(i) Pursuant to a Deposit Release Notice (as defined in the Escrow Agreement), the following shall be delivered by the Escrow Agent to the Purchaser: (x) the certificates (or through delivery by electronic book entry form) representing the Company Shares and the Proceeds, in each case, required to be delivered to the Purchaser in connection with such Exchange as set forth on the applicable Exchange Notice and (y) duly executed instruments of transfer or assignment in respect of such Company Shares, conveying all right, title and interest to and in such Company Shares, free and clear of all liens; and

(ii) Purchaser shall deliver to each applicable Seller the certificates representing the Preferred Securities required to be delivered to such Seller in connection with such Exchange as set forth on the applicable Exchange Notice, along with a duly executed instrument of transfer or assignment in respect of such Preferred Securities conveying all right, title and interest to and in the Preferred Securities to such Seller, free and clear of all liens.

(c) At an Exchange Closing in respect of a Cash Exchange:

(i) the gross proceeds (net of any and all underwriting commissions paid to Jefferies LLC and any other fees and expenses incurred in connection with such Exchange not paid by the Company under the Registration Rights Agreement, and subject to Section 6(e)) resulting from the Securities Disposition of the applicable Company Shares consummated in accordance with Section 4, *plus* all Proceeds received in respect of such Company Shares prior to the date of the Securities Disposition to the extent not previously distributed to the Purchaser prior to the Exchange Closing in accordance with the Escrow Agreement shall be delivered to the Purchaser; and

(ii) Purchaser shall deliver to each applicable Seller the certificates representing the Preferred Securities required to be delivered to such Seller in connection with such Exchange as set forth on the applicable Exchange Notice, along with a duly executed instrument of transfer or assignment in respect of such Preferred Securities conveying all right, title and interest to and in the Preferred Securities to such Seller, free and clear of all liens.

3. Adjustments. If between the Closing under the Purchase Agreement and the termination of this Agreement, the outstanding shares of Common Stock of shall have been changed into a different number of shares or a different class, solely by reason of any stock dividend, reclassification, recapitalization, split, reverse split, combination, exchange or

readjustment of shares or any stock dividend or stock distribution with a record date during such period or any other similar transaction, the Securities Exchange Ratio shall be correspondingly adjusted, if necessary, to reflect such change and all such other adjustments and changes shall be made to provide to the Sellers with the same economic effect as contemplated by this Agreement and the Purchase Agreement prior to such action.

4. Procedures for Consummating a Securities Disposition; Cooperation.

(a) The parties hereby agree that Jefferies LLC shall act as lead underwriter in connection with any Securities Disposition required to be consummated pursuant to this Agreement (whether in the form of a registered offering or an unregistered sale exempt from registration requirements under the Securities Act) and Jefferies LLC shall be entitled to receive customary fees and expense reimbursement in connection therewith. The Purchaser shall in consultation with Jefferies LLC direct, in its sole discretion, the timing and implementation of any such Securities Disposition, in each case subject to any restrictions or limitations set forth in the Registration Rights Agreement and compliance with applicable law.

(b) Upon the terms and subject to the conditions set forth in this Agreement, without limiting the obligations set forth in Section 5.2 of the Purchase Agreement (but without duplication in respect thereof), the Purchaser and each of the Sellers shall use commercially reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties or parties hereto in doing, all things reasonably necessary, proper or advisable under applicable Law to consummate and make effective, in an expeditious manner, the transactions contemplated by this Agreement, including doing all things reasonably necessary to effect a Securities Exchange and a Cash Exchange (including, consummating the Securities Disposition related thereto), in each case, as reasonably requested by the Purchaser and using commercially reasonable efforts to: (i) obtain all necessary actions or non-actions, waivers, consents, approvals, orders and authorizations from Governmental Entities and make all necessary registrations, declarations and filings with Governmental Entities in order to consummate an Exchange (including, in respect of filings required to be made by the Purchaser with insurance regulators in order to effectuate the Exchange under applicable Law); and (ii) execute or deliver any additional instruments reasonably necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement. Further, the Sellers shall use commercially reasonable efforts to cause the Company and its Subsidiaries to support, and not oppose, any application, form or other filing made by the Purchaser with insurance regulators in connection with the consummation of the transactions contemplated by this Agreement.

(c) Upon the terms and subject to the conditions set forth in this Agreement, without limiting the obligations set forth in Section 5.2 of the Purchase Agreement (but without duplication in respect thereof), each party agrees to cooperate with each other and their respective officers, employees, attorneys, accountants and other agents, and, generally, do such other reasonable acts and things in good faith as may be reasonably necessary to effectuate the transactions contemplated by this Agreement, in each case subject to the terms and conditions hereof and compliance with applicable Law, including taking reasonable action to facilitate the filing of any document or the taking of reasonable action to assist the other parties hereto in complying with the terms hereof.

5. Treatment of Dividends, Distributions and other Payments by the Company. The Sellers acknowledge and agree that from and after the Closing until the termination of this Agreement the Purchaser shall have all right, title and interest in and to any Proceeds paid or received in respect of the Company Shares (except from and after the date of a Securities Disposition in respect of any such Company Shares), and the Purchaser shall have the right to cause the Escrow Agent to release any such Proceeds at any time (i.e., the Purchaser does not need to wait for an Exchange Closing). The Sellers covenant and agree to promptly deliver any Proceeds paid or received in respect of the Company Shares to the Escrow Agent.

6. Miscellaneous Provisions.

(a) Severability. In the event that any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

(b) Governing Law; Jurisdiction; WAIVER OF JURY TRIAL.

(i) This Agreement shall be governed by and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflicts of law thereof.

(ii) Each of the parties hereto irrevocably (i) agrees that any legal suit, action or proceeding brought by any party hereto against arising out of or based upon this Agreement may be instituted in any United States federal court or New York State court located in the Borough of Manhattan in The City of New York (a "**New York Court**"), (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding and (iii) submits to the non-exclusive jurisdiction of a New York Court in any such suit, action or proceeding.

(iii) EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE ACTIONS OF ANY SELLER OR THE PURCHASER IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT HEREOF.

(c) Specific Performance. The parties hereto agree that the obligations imposed on them in this Agreement are special, unique and of an extraordinary character, and that irreparable damages for which money damages, even if available, would not be an adequate remedy, would occur in the event that the parties hereto do not perform the provisions of this Agreement in accordance with its specified terms or otherwise breach such provisions. The parties acknowledge and agree that the parties shall be entitled to seek an injunction, specific



performance and other equitable relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof and thereof, this being in addition to any other remedy to which they are entitled, at law or in equity; and the parties hereto further agree to waive any requirement for the securing or posting of any bond or other security in connection with the obtaining of any such injunctive or other equitable relief. Each of the parties agrees that it will not oppose the granting of an injunction, specific performance and other equitable relief as provided herein on the basis that (x) either party has an adequate remedy at law or (y) an award of specific performance is not an appropriate remedy for any reason at law or equity.

(d) Delays or Omissions; Waiver. No delay or omission to exercise any right, power, or remedy accruing to a party upon any breach or default of another party under this Agreement shall impair any such right, power, or remedy of such party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or be construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement. Any agreement on the part of a party or parties hereto to any waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party or parties, as applicable. Any delay in exercising any right under this Agreement shall not constitute a waiver of such right.

(e) Fees and Expenses. All costs and expenses (including fees and disbursements of legal counsel and advisors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party hereto incurring such expenses, other than such out-of-pocket fees and expenses incurred by the Sellers in connection with the consummation of a Cash Exchange and not otherwise paid by the Company pursuant to the Registration Rights Agreement, which shall be for the account of and paid by the Purchaser.

(f) Assignment. None of the parties may assign its rights or obligations under this Agreement without the prior written consent of the other parties, provided, however, that the Purchaser may assign its right and obligations hereunder to an Affiliate of the Purchaser without the prior written consent of any Seller; provided, further, that as a condition precedent to such assignment (x) any such Affiliate shall assume, on a several and not joint basis, all then continuing obligations of the Purchaser hereunder pursuant to a written agreement reasonably acceptable to the Sellers, and (y) no assignment and assumption shall relieve the Purchaser from any liability hereunder; provided, further, that any assignment to an Affiliate shall only be effective for so long as such Person remains an Affiliate of the Purchaser and the rights assigned to such Person shall cease to be of further force and effect when such Person ceases to be an Affiliate of the Purchaser. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties to this Agreement and their respective successors and permitted assigns. Any purported assignment other than in compliance with the terms hereof shall be void ab initio.

(g) No Third Party Beneficiaries. This Agreement does not create any rights, claims or benefits inuring to any Person that is not a party hereto nor create or establish any third party beneficiary hereto.

(h) Counterparts. This Agreement may be executed and delivered (including by facsimile or electronic transmission) in any number of counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed an original, but all of which taken together shall constitute a single instrument.

(i) Amendments. No modification, alteration, waiver or change in any of the terms of this Agreement shall be valid or binding upon the parties hereto unless made in writing and duly executed by the Sellers, on the one hand, and the Purchaser, on the other hand.

(j) Nature of Sellers' Obligations and Rights. The obligations of each Seller under this Agreement are several (in proportion to the number of Company Shares delivered to the Escrow Agent by such Seller on the date hereof) and not joint with the obligations of any other Seller, and no Seller shall be responsible in any way for the performance of the obligations of any other Seller under this Agreement. Nothing contained herein, and no action taken by any Seller pursuant hereto, shall be deemed to constitute the Sellers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Sellers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Seller confirms that it has independently participated in the negotiation of the transactions contemplated hereby and has been represented by separate counsel. All rights, powers and remedies provided to the Sellers under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative or exclusive, and the exercise or beginning of the exercise of any thereof by any party shall not preclude the simultaneous or later exercise of any other rights, powers or remedies by such party or any other party.

(k) No Personal Liability of Directors, Officers, Owners, Etc.. No director, officer, employee, incorporator, shareholder, managing member, member, general partner, limited partner, principal or other agent of any of the named parties hereto shall have any liability for any obligations of such party under this Agreement or for any claim based on, in respect of, or by reason of, the obligations of such party, under this Agreement. The Purchaser and the Sellers each hereby waive and release all such liability. This waiver and release is a material inducement to each party's entry into this Agreement.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**Harbinger Capital Partners Master Fund I, Ltd.**

By: Harbinger Capital Partners, LLC, its investment manager

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

**Global Opportunities Breakaway Ltd.**

By: Harbinger Capital Partners II, LP, its investment manager

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

**Harbinger Capital Partners Special Situations Fund, L.P.**

By: Harbinger Capital Partners Special Situations GP, LLC, its general partner

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

*Signature Page to Exchange Agreement*

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**Leucadia National Corporation**

By: /s/ Michael J. Sharp

Name: Michael J. Sharp

Title: Executive Vice President and General  
Counsel

*Signature Page to Exchange Agreement*

## **CASH AND SECURITIES DEPOSIT AGREEMENT**

This CASH AND SECURITIES DEPOSIT AGREEMENT, dated as of March 21, 2014 (the "Agreement"), is made by and among Harbinger Capital Partners Master Fund I, Ltd., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability (the "Master Fund"), Global Opportunities Breakaway Ltd., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability ("Global Fund"), Harbinger Capital Partners Special Situations Fund, L.P., a Delaware limited partnership (together with the Master Fund and Global Fund, the "Sellers," and each a "Seller"), Leucadia National Corporation, a New York corporation (the "Purchaser"), and Jefferies LLC, a Delaware limited liability company (the "Depository"). Capitalized terms that are not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement (as defined below).

WHEREAS, the Sellers and the Purchaser entered into that certain Preferred Securities Purchase Agreement, dated as of March 18, 2014 (as amended, restated, supplemented or otherwise modified from time to time, the "Purchase Agreement"), pursuant to which the Sellers agreed to deliver the Company Shares, along with duly executed instruments of transfer or assignment in blank in respect of such Company Shares, to the Depository to be held in escrow until released pursuant to the terms of this Agreement.

WHEREAS, the Sellers and the Purchaser have also entered into that certain Exchange Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Exchange Agreement"), pursuant to which the Sellers and Purchaser agreed to the terms and conditions governing the exchange and related release of the Deposit (as defined below) held pursuant to the terms of this Agreement.

WHEREAS, the Sellers and the Purchaser desire to secure the services of the Depository, and the Depository is willing to provide such services, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each of the parties hereto, the parties hereto, intending to be legally bound, do hereby agree as follows:

Section 1. Appointment of Depository. The Sellers and the Purchaser hereby appoint Jefferies LLC as Depository in accordance with the terms and conditions set forth herein, and the Depository hereby accepts such appointment. The scope of the duties of the Depository hereunder shall be limited to those expressly set forth herein and, for the avoidance of doubt, any expansion of such duties or additional or supplemental duties shall require the advance written consent of the Purchaser and the Sellers, acting jointly.

Section 2. Deposit into the Cash and Securities Deposit Account. At the Closing, the Sellers shall deposit the Company Shares at American Stock Transfer & Trust Company, LLC in an account for Jefferies LLC as Depository through delivery by electronic book entry form (the "Deposit"), and which Deposit shall be held by the Depository in escrow upon the terms and conditions hereinafter set forth. The foregoing Deposit, plus all interest, dividends and other distributions and payments thereon ("Proceeds"), less any funds distributed or paid in accordance with this Agreement shall be held by the Depository in an account referred to herein as the "Deposit Account". The Depository shall have no duty to solicit the Deposit. The Sellers shall notify the Depository in writing at or prior to the time when the Deposit is sent to the Depository pursuant to this Agreement. The Depository shall have no liability for

the Deposit sent to it that remains unclaimed and/or is returned if such written notice is not given. While the Depository holds such Company Shares in the Deposit Account, (a) so long as no Event of Default (as defined below) shall have occurred and be continuing, the Sellers shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Company Shares in the Deposit Account or any part thereof for any purpose, and (b) upon the occurrence and during the continuation of an Event of Default, all rights of the Sellers to exercise or refrain from exercising the voting and other consensual rights that they would otherwise be entitled to exercise pursuant to this Section 2 shall, upon written notice to the Sellers and the Depository by the Purchaser, automatically cease, and all such rights shall thereupon become vested in the Purchaser, which shall thereupon have the sole right to, subject to applicable Law, exercise or refrain from exercising such voting and other consensual rights. An “Event of Default” shall mean, with respect to the Sellers, an uncured material breach (for which notice has been given) by any Seller of the Purchase Agreement, the Ancillary Agreements or any other agreement between the Sellers and the Purchaser in connection with the transactions contemplated by the Purchase Agreement.

Section 3. Investment of Cash Proceeds with Respect to the Deposit. During the term of this Agreement, the Depository shall invest and reinvest any cash Proceeds in the following investment at the written direction of an Authorized Person (as hereinafter defined) of the Purchaser:

Money Market or Mutual Funds registered under the Investment Act of 1940, as directed by the Purchaser;

The Depository shall have no obligation to invest or reinvest the cash Proceeds if deposited with the Depository after 11:00 a.m. (E.T.) on such day of deposit. Instructions received after 11:00 a.m.(E.T.) will be treated as if received on the following Business Day. Neither the Depository nor any Seller shall have any responsibility for any investment losses resulting from the investment, reinvestment or liquidation of the cash Proceeds. Any interest or other income received on such investment and reinvestment of the cash Proceeds shall become part of the cash Proceeds and any losses incurred on such investment and reinvestment of the cash Proceeds shall be debited against the Deposit Account. If a selection is not made and a written direction not given to the Depository, the cash Proceeds shall remain uninvested with no liability for interest therein. It is agreed and understood that the entity serving as Depository may earn fees associated with the investments outlined above in accordance with the terms of such investments. A selection of Money Market or Mutual Funds will be provided by the Depository. In no event shall the Depository be deemed an investment manager or adviser in respect of any selection of investments hereunder. It is understood and agreed that the Depository or its Affiliates are permitted to receive additional compensation that could be deemed to be in the Depository’s economic self-interest for (1) serving as investment adviser, administrator, shareholder servicing agent, custodian or sub-custodian with respect to certain of the investments, (2) using Affiliates to effect transactions in certain investments and (3) effecting transactions in investments.

Section 4. Distribution of Deposit. The Depository shall hold the Deposit in its possession and shall disburse and/or deliver the Deposit or any specified portion thereof only upon the delivery to the Depository (with a copy to the Sellers for their information only) of a written release notice executed by an Authorized Person of the Purchaser (and no other Person), without further consent from the Sellers, in substantially the form attached as Exhibit A (a “Deposit Release Notice”), which notice shall contain delivery instructions to the Depository pursuant to which the Depository shall promptly deliver the Deposit (and, in any event, within three Business Days) or any specified portion thereof in accordance with such Deposit Release Notice. The Purchaser hereby agrees to only deliver a Deposit Release Notice to the Depository (i) to obtain the release of any cash held in the Deposit Account, at any time, (ii) in order to effectuate a Cash Exchange (as defined in the Exchange Agreement) in accordance with the Exchange Agreement, at any time, or (iii) in order to effectuate a Securities Exchange (as defined

in the Exchange Agreement) in accordance with the Exchange Agreement, but only if the Purchaser has received the approvals necessary from the applicable insurance regulators and only to the extent such Securities Exchange does not result in the Purchaser having (as a result of its Beneficial Ownership over Company Shares following such Securities Exchange) the right to control 35% or more of the total voting rights of all issued and outstanding voting securities of Harbinger Group Inc. (for the avoidance of doubt, taking into account any voting limitations in respect of the outstanding Preferred Stock).

Section 5. Termination. This Agreement shall terminate upon the distribution of the Deposit from the account established hereunder. The provisions of Sections 6, 8 and 9 shall survive the termination of this Agreement and the earlier resignation or removal of the Depositary.

Section 6. Compensation of Depositary. The Depositary shall be entitled to payment for customary fees and expenses for all services rendered by it hereunder as separately agreed to in writing between the Purchaser, the Sellers and the Depositary (with such fee schedule attached hereto as Exhibit B). Such fees and expenses shall be billed one-half to the Purchaser and one-half to the Sellers (with the Sellers being jointly liable for their one-half of such fees and expenses) until the first anniversary of the date of this Agreement and thereafter such fees and expenses shall be billed one-hundred percent to the Purchaser. The Purchaser, on the one hand, and the Sellers, on the other hand, shall each severally reimburse the Depositary on demand for one-half of all out-of-pocket losses, liabilities, damages, disbursements, advances or reasonable and out-of-pocket expenses paid or incurred by it in the administration of its duties hereunder, including, but not limited to, all reasonable and out-of-pocket counsel, advisors' and agents' fees and disbursements and all taxes or other governmental charges; provided, that after the first anniversary of the date of this Agreement the Purchaser shall be responsible for one-hundred percent of such amounts. Any acceptance fee and/or annual fee for the first year will be paid to the Depositary Agent by the Purchaser and the Sellers concurrent with the execution and delivery of this Agreement. Annual fees are payable in advance for each year or any part thereof. At all times, the Depositary will have a right of set off and first lien on the funds in the Deposit Account for payment of customary fees and expenses and all such loss, liability, damage or expenses. The obligations contained in this Section 6 shall survive the termination of this Agreement and the resignation or removal of the Depositary.

Section 7. Resignation of Depositary. The Depositary may resign and be discharged from its duties hereunder at any time by giving thirty (30) calendar days' prior written notice of such resignation to the Purchaser and the Sellers. The Purchaser and the Sellers may jointly remove the Depositary at any time by giving thirty (30) calendar days' prior written notice to the Depositary. Upon such notice, a successor Depositary shall be appointed by the Purchaser and the Sellers acting jointly, who shall provide written notice of such to the resigning Depositary. Such successor Depositary shall become the Depositary hereunder upon the resignation or removal date specified in such notice. If the Purchaser and the Sellers are unable to decide upon a successor Depositary within thirty (30) days after such notice, the Depositary may, in its sole discretion, may apply to a court of competent jurisdiction for the appointment of a successor Depositary or for other appropriate relief. Upon its resignation and delivery of the Deposit as set forth in this Section 7, the Depositary shall be discharged of and from any and all further obligations arising in connection with the Deposit or this Agreement. Notwithstanding the foregoing, the parties hereto agree that upon two (2) Business Days' notice (or such other period of time as may be agreed to by the parties) from Deutsche Bank Trust Company Americas ("Deutsche Bank"), a New York banking corporation and wholly-owned subsidiary of Deutsche Bank AG, that it is prepared to act immediately pursuant to the terms of this Agreement as successor Depositary, the Depositary shall resign and Deutsche Bank shall become Depositary hereunder.

Section 8. Indemnification of Depositary. The Purchaser and the Sellers shall jointly and severally indemnify, defend and hold harmless the Depositary and its officers, directors, employees,

representatives and agents, from and against and reimburse the Depositary for any and all claims, expenses, obligations, liabilities, losses, damages, injuries (to person, property, or natural resources), penalties, stamp or other similar taxes, actions, suits, judgments, reasonable and out-of-pocket costs and expenses (including reasonable and out-of-pocket attorney's fees and expenses of one outside counsel) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Depositary directly or indirectly relating to, or arising from, claims against the Depositary by reason of its participation in the transactions contemplated hereby, including without limitation all reasonable and out-of-pocket costs required to be associated with claims for damages to persons or property, and reasonable and out-of-pocket attorneys' fees and expenses of one outside counsel and court costs except to the extent caused by the Depositary's gross negligence or willful misconduct. The provisions of this Section 8 shall survive the termination of this Agreement or the earlier resignation or removal of the Depositary.

#### Section 9. The Depositary.

(a) The duties, responsibilities and obligations of Depositary shall be limited to those expressly set forth herein and no duties, responsibilities or obligations shall be inferred or implied against the Depositary. The Depositary shall not be required to expend or risk any of its own funds or otherwise incur any liability, financial or otherwise, in the performance of any of its duties hereunder.

(b) If at any time the Depositary is served with any judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process which in any way affects the Deposit (including but not limited to orders of attachment or garnishment or other forms of levies or injunctions or stays relating to the transfer of the Deposit), the Depositary is authorized to comply therewith in any manner it or legal counsel of its own choosing reasonably deems appropriate; and if the Depositary complies with any such judicial or administrative order, judgment, decree, writ or other form of judicial or administrative process, Depositary shall not be liable to the Purchaser or the Sellers (except to the extent caused by the Depositary's gross negligence or willful misconduct) or to any other person or entity even though such order, judgment, decree, writ or process may be subsequently modified or vacated or otherwise determined to have been without legal force or effect.

(c) The Depositary shall not be liable for any action taken or omitted or for any loss or injury resulting from its actions or its performance or lack of performance of its duties hereunder in the absence of gross negligence or willful misconduct on its part.

(d) If any fees, expenses or costs are incurred by the Depositary or its counsel and the Depositary is entitled to payment and/or reimbursement under Section 6 of this Agreement and such amounts are not paid when due, the Depositary may reimburse itself therefor from any cash held in the Deposit and may sell, liquidate, convey or otherwise dispose of any investment in respect of the Deposit for such purpose, provided that the Depositary shall notify the Purchaser and the Sellers in writing at least 20 Business Days prior to effectuating any such sale, liquidation, conveyance or disposition and the Purchaser and the Sellers shall have the right during such 20 Business Days to cure any such past due payment obligations. Subject to the foregoing sentence, the Depositary may in its sole discretion, acting in good faith, withhold from any distribution of any interest earned in respect of the cash Proceeds an amount it believes would, upon sale or liquidation, produce proceeds equal to any unpaid amounts to which the Depositary is entitled to hereunder.

(e) As security for the due and punctual performance of any and all of the Sellers' and the Purchaser's obligations to the Depositary hereunder, now or hereafter arising, the Sellers and the Purchaser hereby pledge, assign and grant to the Depositary a continuing security interest in, and a lien on, the Deposit and the Proceeds. The security interest of the Depositary shall at all times be valid, perfected and enforceable by the Depositary against the Sellers and the Purchaser and all third parties in



accordance with the terms of this Agreement; provided, however, that the Depositary hereby acknowledges Purchaser's security interest in the Deposit and the Proceeds pursuant to the Pledge and Security Agreement, dated as of the same date hereof, by and among the Sellers and the Purchaser and that the Depositary is to hold the Deposit and the Proceeds for the benefit of the Purchaser, as gratuitous bailee. The Purchaser intends to file UCC financing statements with respect to the Deposit and the Proceeds.

(f) The Depositary may consult with outside legal counsel of its own choosing as to any matter relating to this Agreement, and the Depositary shall not incur any liability in acting in good faith in accordance with any advice from such counsel.

(g) The Depositary shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Depositary (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war, civil unrest, local or national disturbance or disaster, any act of terrorism, or the unavailability of the Federal Reserve Bank wire or facsimile or other wire or communication facility), except to the extent caused by the Depositary's gross negligence or willful misconduct.

(h) The Depositary shall be entitled to conclusively rely upon any order, judgment, certification, demand, notice, instrument or other writing delivered to it hereunder without being required to determine the authenticity or the correctness of any fact stated therein or the propriety or validity or the service thereof. The Depositary may act in conclusive reliance upon any instrument or signature believed by it to be genuine and may assume that any person purporting to give receipt or advice to make any statement or execute any document in connection with the provisions hereof has been duly authorized to do so.

(i) In the event of any ambiguity or uncertainty hereunder or in any notice, instruction or other communication received by the Depositary hereunder, the Depositary may, in its sole discretion, refrain from taking any action other than to retain possession of the Deposit, unless the Depositary receives written instructions, signed by the Purchaser and the Sellers which eliminates such ambiguity or uncertainty.

(j) The Depositary does not have any interest in the Deposit deposited hereunder but is serving as escrow holder only and having only possession thereof. Any payments of income from the Deposit shall be subject to withholding regulations then in force with respect to United States taxes. The parties hereto agree that the Purchaser shall be treated as the owner of the Deposit Account. The Purchaser will provide the Depositary with appropriate W-9 forms for tax identification number certifications, or W-8 forms for non-resident alien certifications. It is understood that the Depositary shall be responsible for income reporting only with respect to income earned on the Deposit and will not be responsible for any other reporting.

(k) The Depositary shall provide to the Purchaser (with a copy to the Sellers for their information only) monthly statements identifying transactions, transfers or holdings of Deposit and each such statement shall be deemed to be correct and final upon receipt thereof by the Purchaser unless the Depositary is notified in writing by the Purchaser (with a copy to the Sellers for their information only) to the contrary within thirty (30) Business Days of the date of such statement.

Section 10. Miscellaneous. (a) This Agreement embodies the entire agreement and understanding among the parties relating to the subject matter hereof.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to the principles of conflict of laws.

(b) Each of the parties hereto hereby irrevocably consents to the jurisdiction of the courts of the State of New York and of any Federal Court located in the Borough of Manhattan in such State in connection with any action, suit or other proceeding arising out of or relating to this Agreement or any action taken or omitted hereunder, and waives any claim of forum non conveniens and any objections as to laying of venue. Each party further waives personal service of any summons, complaint or other process and agrees that service thereof may be made by certified or registered mail directed to such person at such person's address for purposes of notices hereunder.

(c) All notices and other communications under this Agreement shall be in writing in English and shall be deemed given when delivered personally, on the next Business Day after delivery by a recognized overnight courier or first class mail (postage prepaid), or when sent by facsimile or email (via portable document format (\*.pdf), (which facsimile or \*.pdf copy shall be followed, in the case of notices or other communications sent to the Depository, by delivery of the original) when the sender receives a written fax or email confirmation thereof, at the following addresses (or to such other address as a party may have specified by notice given to the other parties pursuant to this provision):

(1) if to Sellers, addressed as follows:

Harbinger Capital Partners Master Fund I, Ltd.  
Global Opportunities Breakaway Ltd.  
Harbinger Capital Partners Special Situations Fund, L.P.  
450 Park Avenue  
30th Floor  
New York, NY 10022  
Attention: Chief Financial Officer; Legal Department  
Email: khladek@harbingercapital.com; Compliance@harbingercapital.com  
Facsimile: (212) 658-9311

with copies (which shall not constitute notice) to:

Paul, Weiss, Rifkind, Wharton & Garrison LLP  
1285 Avenue of the Americas  
New York, NY 10019-10236  
Attention: Jeffrey D. Marell  
Email: jmarell@paulweiss.com  
Facsimile: (212) 492-0105

(2) if to Purchaser, to:

Leucadia National Corporation  
520 Madison Avenue  
New York, NY 10022  
Attention: General Counsel  
Email: Msharp@jefferies.com

with copies (which shall not constitute notice) to:

Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153  
Attention: Andrea A. Bernstein  
Matthew J. Gilroy  
Email: andrea.bernstein@weil.com  
matthew.gilroy@weil.com  
Facsimile: (212) 310-8007

(3) If to the Depositary, to:

Jefferies LLC  
520 Madison Avenue  
New York, New York 10022  
Facsimile: (646) 786-5900  
Attention: Manager, Escrow Team

(d) The headings of the Sections of this Agreement have been inserted for convenience and shall not modify, define, limit or expand the express provisions of this Agreement.

(e) This Agreement and the rights and obligations hereunder of parties hereto may not be assigned except with the prior written consent of the other parties hereto; provided, however, that the Purchaser may assign its right and obligations hereunder to an Affiliate of the Purchaser without the prior written consent of any Seller or the Depositary; provided, further, that as a condition precedent to such assignment (x) any such Affiliate shall assume, on a several and not joint basis, all then continuing obligations of the Purchaser hereunder pursuant to a written agreement reasonably acceptable to the Sellers, and (y) no assignment and assumption shall relieve the Purchaser from any liability hereunder (provided that any assignment to an Affiliate shall only be effective for so long as such person remains an Affiliate of the Purchaser and the rights assigned to such person shall cease to be of further force and effect when such person ceases to be an Affiliate of the Purchaser). This Agreement shall be binding upon and inure to the benefit of each party's respective successors and permitted assigns. Except as expressly provided herein, no other person shall acquire or have any rights under or by virtue of this Agreement. This Agreement is intended to be for the sole benefit of the parties hereto, and (subject to the provisions of this Section 10(e)) their respective successors and assigns, and none of the provisions of this Agreement are intended to be, nor shall they be construed to be, for the benefit of any third person.

(f) This Agreement may not be amended, supplemented or otherwise modified without the prior written consent of the parties hereto.

(g) The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any such right or remedy shall not preclude or inhibit the exercise of any additional rights or remedies. The waiver of any right or remedy hereunder shall not preclude the subsequent exercise of such right or remedy.

(h) The Purchaser and the Sellers each hereby severally represent and warrant (i) that this Agreement has been duly authorized, executed and delivered on each of their behalf and constitutes their respective legal, valid and binding obligations and (ii) that their respective execution, delivery and performance of this Agreement does not and will not violate any applicable law or regulation.

(i) The invalidity, illegality or unenforceability of any provision of this Agreement shall in no way affect the validity, legality or enforceability of any other provision; and if any provision is

held to be unenforceable as a matter of law, the other provisions shall not be affected thereby and shall remain in full force and effect.

(j) No printed or other material in any language, including prospectuses, notices, reports, and promotional material which mentions "Jefferies LLC" or any of their respective Affiliates by name or the rights, powers, or duties of the Depositary under this Agreement shall be issued by any other parties hereto, or on such party's behalf, without the prior written consent of the Depositary.

(k) For purposes of this Agreement, "Business Day" shall mean any day that is not a Saturday or Sunday or a day on which banks are required or permitted by law or executive order to be closed in the City of New York.

(l) For purposes of sending and receiving instructions or directions hereunder, all such instructions or directions shall be, and the Depositary may conclusively rely upon such instructions or directions, delivered, and executed by representatives of the Purchaser and the Sellers designated on Schedule I attached hereto and made a part hereof (each such representative, an "Authorized Person") which such designation shall include specimen signatures of such representatives, as such Schedule I may be updated from time to time.

(m) Each party hereto shall execute and deliver to each other party hereto such documents and instruments and take such other actions as may reasonably be requested from time to time to give effect to and carry out the transactions contemplated hereby.

(n) The parties hereto acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Agreement agree that they will provide to the Depositary such information as it may request, from time to time, in order for the Depositary to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

[Signature Pages Follow.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Leucadia National Corporation

By: /s/ Michael J. Sharp

Name: Michael J. Sharp

Title: Executive Vice President and General  
Counsel

[Signature Page to Cash and Securities Deposit Agreement]

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Harbinger Capital Partners Master Fund I, Ltd.

By: Harbinger Capital Partners, LLC, its investment manager

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

Global Opportunities Breakaway Ltd.

By: Harbinger Capital Partners II, LP, its investment manager

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

Harbinger Capital Partners Special Situations Fund, L.P.

By: Harbinger Capital Partners Special Situations GP, LLC, its  
general partner

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

[Signature Page to Cash and Securities Deposit Agreement]

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JEFFERIES LLC,  
as Depositary

By: /s/ Michael J. Sharp  
Name: Michael J. Sharp  
Title: Executive Vice President and General  
Counsel

By: \_\_\_\_\_  
Name:  
Title:

[Signature Page to Cash and Securities Deposit Agreement]

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Schedule I

Purchaser Authorized Representatives

Name	Title	Specimen Signature
Michael J. Sharp	Executive Vice President	/s/ Michael J. Sharp

Sellers Authorized Representatives

Name	Title	Specimen Signature
Keith M. Hladek	Authorized Signatory (for each Seller)	/s/ Keith M. Hladek

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EXHIBIT A

[ON PURCHASER LETTERHEAD]

Form of Deposit Release Notice

[DATE]

Jefferies LLC  
520 Madison Avenue  
New York, New York 10022  
Facsimile: (646) 786-5900  
Attention: Manager, Escrow Team

Re: CASH AND SECURITIES DEPOSIT AGREEMENT, dated as of March 21, 2014, (the "Agreement") by and among Harbinger Capital Partners Master Fund I, Ltd., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability (the "Master Fund"), Global Opportunities Breakaway Ltd., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability ("Global Fund"), Harbinger Capital Partners Special Situations Fund, L.P., a Delaware limited partnership (together with the Master Fund and Global Fund, the "Sellers," and each a "Seller"), Leucadia National Corporation, a New York corporation (the "Purchaser"), and Jefferies LLC, a Delaware limited liability company, as Depositary (the "Depositary").

Dear Manager, Escrow Team;

You are hereby instructed to deliver [\$ ] [specify securities] to the extent currently available in the Deposit Account related to the captioned agreement, to the following recipient in accordance with the following transfer instructions:

[Insert recipient name and transfer instructions]

Sincerely;

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Name:  
Title:

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EXHIBIT B

Fee Schedule.

None.

**PLEDGE AND SECURITY AGREEMENT**

PLEDGE AND SECURITY AGREEMENT dated March 21, 2014 (this "**Agreement**") made by among HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability, GLOBAL OPPORTUNITIES BREAKAWAY LTD., a company incorporated under the laws of the Cayman Islands as an exempted company with limited liability, HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P., a Delaware limited partnership (each, a "**Pledgor**" and, together, the "**Pledgors**"), and JEFFERIES LLC, a Delaware limited liability company (solely with respect to Section 6 hereof, the "**Escrow Agent**") in favor of and for the benefit of LEUCADIA NATIONAL CORPORATION, a New York Corporation (the "**Secured Party**").

**PRELIMINARY STATEMENTS.**

(1) The Pledgors and the Secured Party have entered into a Preferred Securities Purchase Agreement, dated as of March 18, 2014 (said agreement, as it may hereafter be amended, restated, amended and restated, supplemented or otherwise modified from time to time, being the "**Purchase Agreement**").

(2) Capitalized terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the Purchase Agreement. Further, unless otherwise defined in this Agreement or the Purchase Agreement, terms defined in Article 8 or 9 of the UCC (as defined below) are used in this Agreement as such terms are defined in such Article 8 or 9. "**UCC**" means the Uniform Commercial Code as in effect from time to time in the State of Delaware or the District of Columbia, as applicable with respect to the perfection or the effect of perfection or non-perfection or the priority of the security interest in any Collateral; *provided that*, if perfection or the effect of perfection or non-perfection or the priority of the security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Delaware or the District of Columbia, then "**UCC**" means the Uniform Commercial Code as in effect from time to time in such jurisdiction.

(3) Each Pledgor is the record and legal owner of the Company Shares of Harbinger Group Inc. (the "**Company**") set forth in Schedule I hereto (as adjusted pursuant to the Purchase Agreement).

(4) The Pledgors have delivered their respective Company Shares to the Escrow Agent pursuant to and in accordance with the Purchase Agreement.

(5) In connection with the Purchase Agreement, the Pledgors have agreed to grant the security interest contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Secured Party to pay the Preferred Security Purchase Price under the Purchase Agreement, each Pledgor hereby agrees with the Secured Party as follows:

Section 1. Grant of Security. Each Pledgor hereby grants to the Secured Party, a security interest in such Pledgor's right, title and interest in and to the following,

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whether now owned or hereafter acquired by such Pledgor, wherever located, and whether now or hereafter existing or arising, (collectively, the “**Collateral**”):

(a) the Company Shares and the certificates (or electronic book entry form) representing the Company Shares (which, for the avoidance of doubt, are being held by the Escrow Agent in accordance with the Escrow Agreement), and all interest, dividends and other distributions in respect of the Company Shares;

(b) any and all proceeds resulting from the sale or disposition of the Company Shares.

Section 2. Security for Obligations. This Agreement secures, in the case of each Pledgor, the obligations of such Pledgor with respect to consummating each Exchange (the “**Secured Obligations**”).

Section 3. Voting Rights Dividends; Etc.

(a) So long as no Event of Default (as defined herein) shall have occurred and be continuing, each Pledgor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Collateral of such Pledgor or any part thereof for any purpose, subject to Section 5.1(a) of the Purchase Agreement. For the avoidance of doubt, all cash or stock dividends and other distributions paid in respect of the Collateral received by any Pledgor shall be delivered by such Pledgor to the Escrow Agent to be held by the Escrow Agent in accordance with the Escrow Agreement.

(b) Upon the occurrence and during the continuation of an Event of Default, all rights of each Pledgor to exercise or refrain from exercising the voting and other consensual rights that it would otherwise be entitled to exercise pursuant to Section 3(a) shall, upon written notice to such Pledgor by the Secured Party shall automatically cease, and all such rights shall thereupon become vested in the Secured Party, which shall thereupon have the sole right to, subject to applicable Law, exercise or refrain from exercising such voting and other consensual rights.

An “**Event of Default**” shall mean, with respect to a Pledgor, an uncured material breach (for which notice has been given) by such Pledgor of the Purchase Agreement, the Ancillary Agreements or any other agreement between the Pledgors and the Secured Party in connection with the transactions contemplated by the Purchase Agreement.

Section 4. Remedies.

(a) If any Event of Default shall have occurred and be continuing with respect to a Pledgor, the Secured Party may exercise in respect of such Pledgor’s Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it, but subject to any required insurance regulatory approvals, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral), and the Secured Party may also in its sole discretion, without notice except as specified below, but subject to any required insurance regulatory approvals, sell such Pledgor’s Collateral or any part thereof in one or more parcels at public or private sale, at any exchange or broker’s board or at any of the

Secured Party's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Secured Party may deem commercially reasonable, irrespective of the impact of any such sales on the market price of such Pledgor's Collateral. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of such Pledgor, and each Pledgor hereby waives (to the extent permitted by applicable Law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of Law or statute now existing or hereafter enacted. Each Pledgor agrees that, to the extent notice of sale shall be required by Law, at least ten days' notice to the relevant Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Secured Party shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Secured Party may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) If any Event of Default shall have occurred and be continuing with respect to a Pledgor, and the Secured Party shall determine to exercise its right to sell all or any of such Pledgor's Collateral, such Pledgor agrees that, upon request of the Secured Party (which request may be made by the Secured Party in its sole discretion), it will, at its own expense:

(i) execute and deliver, and enforce its rights under the Registration Rights Agreement to cause the Company and the directors and officers thereof to execute and deliver, all such instruments and documents, and do or cause to be done all such other acts and things, as may be necessary or, in the opinion of the Secured Party, advisable to register such Collateral under the provisions of the Securities Act and to cause the registration statement relating thereto to become effective and to remain effective for such period as prospectuses are required by Law to be furnished, and to make all amendments and supplements thereto and to the related prospectus which, in the opinion of the Secured Party, are necessary or advisable, all in conformity with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission applicable thereto;

(ii) use commercially reasonable efforts to qualify the Collateral under all applicable state securities or "Blue Sky" laws and to obtain all necessary governmental approvals for the sale of the Collateral, as requested by the Secured Party;

(iii) do or cause to be done all such other acts and things as may be necessary to make such sale of the Collateral or any part thereof valid and binding and in compliance with applicable Law; and

(iv) bear all costs and expenses, including reasonable out-of-pocket attorneys' fees, of carrying out its obligations under this Section 4.

The Pledgors further agree that a breach of any of the covenants contained in Section 4 will cause irreparable injury to the Secured Party, that the Secured Party has no adequate remedy

at Law in respect of such breach and, as a consequence, that each and every covenant contained in Section 4 shall be specifically enforceable against each of the Pledgors, and each Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default with respect to such Pledgor has occurred.

Section 5. Delivery of Pledged Collateral. All certificates or instruments (including electronic book entry form) representing or evidencing the Collateral shall be delivered to the Escrow Agent pursuant to, and in accordance with, the Purchase Agreement and Escrow Agreement and held on behalf of the Secured Party pursuant hereto and shall be in suitable form for transfer by delivery or, as applicable, shall be accompanied by each Pledgor's applicable endorsement, where necessary, or duly executed instruments of transfer or assignment in blank, all in form and substance satisfactory to the Secured Party. Upon the occurrence and during the continuation of an Event of Default (as defined in Section 4), the Secured Party shall have the right, without notice to any of the Pledgors but subject to compliance with applicable law, to transfer to or to register in the name of the Secured Party or any of its nominees any or all of the Collateral. In addition, Secured Party shall have the right at any time to exchange certificates or instruments (including electronic book entry form) representing or evidencing the Collateral for certificates or instruments (including electronic book entry form) of smaller or larger denominations.

Section 6. Perfection. Upon the filing of a UCC financing statement naming each Pledgor as "debtor", naming Secured Party as "secured party" and describing the Collateral in the District of Columbia and the State of Delaware (as applicable), the security interests in the Collateral granted to Secured Party will constitute perfected security interests therein prior to all other Liens (subject to any rights in the Collateral of the Escrow Agent under Section 9(e) of the Escrow Agreement) securing the Secured Obligations. The Escrow Agent hereby acknowledges the Secured Party's security interest in the Collateral and that the Escrow Agent is to hold the Collateral for the benefit of the Secured Party, as gratuitous bailee.

Section 7. Release; Termination. Upon the consummation of an Exchange or termination of the Exchange Agreement, the security interest in the Collateral subject to such Exchange shall be automatically released.

Section 8. Conflicts and Inconsistency. In the event of any conflict or inconsistency between the provisions hereunder and the provisions of the Purchase Agreement or Escrow Agreement, then, notwithstanding anything contained in this Agreement, such provisions contained in either the Purchase Agreement or Escrow Agreement will prevail and the provisions of this Agreement will be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency.

Section 9. Severability. To the extent permitted by Law, if any court of a competent jurisdiction from which no appeal exists or is taken, determines any provision of the Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.

Section 10. Execution in Counterparts. This Agreement may be executed in any number of counterparts (and by different parties hereto on different counterparts), each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by telecopier or other electronic transmission (including .pdf, .tif or other similar electronic format) shall be effective as delivery of an original executed counterpart of this Agreement.

Section 11. Governing Law. (a) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York, regardless of the Laws that might otherwise govern under applicable principles of conflicts of Law thereof. Each of the parties hereto irrevocably (i) agrees that any legal suit, action or proceeding brought by any party hereto against arising out of or based upon this Agreement may be instituted in any United States federal court or New York State court located in the Borough of Manhattan in The City of New York (a "**New York Court**"), (ii) waives, to the fullest extent it may effectively do so, any objection which it may now or hereafter have to the laying of venue of any such proceeding and (iii) submits to the non-exclusive jurisdiction of a New York Court in any such suit, action or proceeding.

Section 12. Nature of Pledgor's Obligations and Rights. The obligations of each Pledgor under this Agreement are several (in proportion to the number of Company Shares being delivered to the Escrow Agent by such Pledgor) and not joint with the obligations of any other Pledgor, and no Pledgor shall be responsible in any way for the performance of the obligations of any other Pledgor under this Agreement or any other Ancillary Agreement.

Section 13. Assignment. None of the parties may assign its rights or obligations under this Agreement without the prior written consent of the other parties, provided, however, that the Secured Party may assign its right and obligations hereunder to an Affiliate of the Purchaser without the prior written consent of any Secured Party; provided, further, that no assignment and assumption shall relieve the Purchaser from any liability hereunder. Subject to the preceding sentence, this Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties to this Agreement and their respective successors and permitted assigns. Any purported assignment other than in compliance with the terms hereof shall be void ab initio.

Section 14. No Personal Liability of Directors, Officers, Owners, Etc. No director, officer, employee, incorporator, shareholder, managing member, member, general partner, limited partner, principal or other agent of any of the named parties hereto shall have any liability for any obligations of such party under this Agreement or for any claim based on, in respect of, or by reason of, the obligations of such party, under this Agreement. The parties hereto each hereby waive and release all such liability. This waiver and release is a material inducement to each party's entry into this Agreement.

[Signature Pages to Follow.]

**IN WITNESS WHEREOF**, each of the Pledgors and the Secured Party have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**Harbinger Capital Partners Master Fund I, Ltd.**

By: Harbinger Capital Partners, LLC, its investment manager

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

**Global Opportunities Breakaway Ltd.**

By: Harbinger Capital Partners II, LP, its investment manager

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

**Harbinger Capital Partners Special Situations Fund, L.P.**

By: Harbinger Capital Partners Special Situations GP, LLC, its general partner

By: /s/ Keith Hladek

Name: Keith Hladek

Title: Authorized Signatory

[Signature Page to the Pledge Agreement]

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**Leucadia National Corporation**

By: /s/ Michael J. Sharp

Name: Michael J. Sharp

Title: Executive Vice President and General  
Counsel

[Signature Page to the Pledge Agreement]

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ACKNOWLEDGED AND AGREED, solely with respect to  
Section 6:

**Jefferies LLC**

By: /s/ Michael J. Sharp  
Name: Michael J. Sharp  
Title: Executive Vice President and General  
Counsel

By: /s/  
Name:  
Title:

[Signature Page to the Pledge Agreement]

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## COMPANY SHARES

<b>Pledgor</b>	<b>Shares</b>
Harbinger Capital Partners Master Fund I, Ltd.	14,658,345
Global Opportunities Breakaway Ltd.	3,258,376
Harbinger Capital Partners Special Situations Fund, L.P.	5,083,279
<b>TOTAL:</b>	<u>23,000,000</u>

**JOINDER TO REGISTRATION RIGHTS AGREEMENT**

**Dated as of September 27, 2013**

**THIS JOINDER** (this “Joinder”) to the Registration Rights Agreement by and among Harbinger Group Inc. (the “Company”), the Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P. and Global Opportunities Breakaway Ltd., dated as of September 10, 2010, as amended on May 12, 2011 (as the same may hereafter be amended, modified or amended and restated (the “Registration Rights Agreement”), is made and entered into as of the date hereof by Leucadia National Corporation (the “Purchaser”). All capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Registration Rights Agreement.

**WITNESSETH:**

**WHEREAS**, the Purchaser has acquired Common Stock of the Company pursuant to that certain Stock Purchase Agreement, dated as of September 21, 2013, which permits the Purchaser, as a holder of Registrable Securities, to become a party to the Registration Rights Agreement, and the Purchaser agrees to do so in accordance with the Registration Rights Agreement and the terms hereof.

**NOW, THEREFORE**, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Joinder hereby agree as follows:

1. Agreement to be Bound. The Purchaser hereby agrees that upon execution of this Joinder, it shall become a party to the Registration Rights Agreement and shall be fully bound by, and subject to, all of the covenants, terms and conditions of the Registration Rights Agreement as a “Holder” as such term is used in the Registration Rights Agreement for all purposes thereof.

2. Single Agreement. This Joinder shall hereafter be read and construed in conjunction and as one document with the Registration Rights Agreement and references in the Registration Rights Agreement to “the Agreement” or “this Agreement,” and references in all other instruments and documents executed thereunder or pursuant thereto to the Registration Rights Agreement, shall for all purposes refer to the Registration Rights Agreement incorporating and as supplemented by this Joinder.

3. Successors and Assigns. Except as otherwise provided herein, and subject to the terms of the Registration Rights Agreement, this Joinder shall bind and inure to the benefit of, and be enforceable by, the Company and its successors and assigns and the Purchaser and its successors and assigns of each of them, so long as the Purchaser holds Common Shares.

4. GOVERNING LAW; CONSENT TO JURISDICTION. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF THAT WOULD APPLY THE LAWS OF ANOTHER JURISDICTION.

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

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