

SCHIEVELBEIN THOMAS C
 Form 4
 September 18, 2018

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SCHIEVELBEIN THOMAS C

2. Issuer Name and Ticker or Trading Symbol
 HUNTINGTON INGALLS INDUSTRIES, INC. [HII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
 4101 WASHINGTON AVENUE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 09/14/2018

Director 10% Owner
 Officer (give title below) Other (specify below)

NEWPORT NEWS, VA 23607
 (City) (State) (Zip)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	09/14/2018		A		45.713 (1)	A	\$ 252.9
Common Stock							16,102.399
							481
							I
							D

See footnote (2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Owned Beneficially (Instr. 5)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SCHIEVELBEIN THOMAS C 4101 WASHINGTON AVENUE NEWPORT NEWS, VA 23607		X		

Signatures

Kathy S. Owen, Attorney-in-Fact for Thomas C. Schievelbein
Date: 09/18/2018

__Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Huntington Ingalls Industries, Inc. paid a cash dividend of \$0.72 per share of common stock on September 14, 2018. Pursuant to the terms of the Huntington Ingalls Industries, Inc. 2011 and 2012 Long-Term Incentive Stock Plan, shares of common stock representing the dividend were deferred into a stock unit account in a transaction exempt by Rule 16b-3.
- (2) Represents vested restricted stock units credited to the Reporting Person's account pursuant to Huntington Ingalls Industries, Inc.'s 2011 and 2012 Long-Term Incentive Stock Plans. Each director stock unit represents a right to receive one share of Issuer common stock (or cash equivalent value), which will generally become payable within 30 days following the date a non-employee director ceases to provide services as a member of the board of directors.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. eember 31, 2017, 2016 and 2015 F-8

Consolidated Statements of Equity for the Years Ended December 31, 2017, 2016 and 2015

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Consolidated Statements of Cash Flows for the Years Ended December 31, 2017, 2016 and 2015

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Notes to Consolidated Financial Statements

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Financial Statement Schedules. The following is a list of financial statement schedules.

SCHEDULE II: Fidelity National Financial, Inc. (Parent Company Financial Statements)

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SCHEDULE V: Valuation and Qualifying Accounts

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Financial Statements. The following is a list of the interim Condensed Consolidated Financial Statements of Fidelity National Financial, Inc. and its subsidiaries:

Condensed Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Fidelity National Financial, Inc.

Opinion on Internal Control over Financial Reporting

We have audited Fidelity National Financial, Inc. and subsidiaries' internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Fidelity National Financial, Inc. and subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2017, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2017, and the related consolidated statements of earnings, comprehensive earnings, equity and cash flows for the year then ended, and the related notes and financial statement schedules listed in the Index at Item 15(a)(2) and our report dated February 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying "Management's Annual Report on Internal Control over Financial Reporting". Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Certified Public Accountants

Jacksonville, Florida
February 23, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of Fidelity National Financial, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2017, and the related consolidated statements of earnings, comprehensive earnings, equity and cash flows for the year then ended, and the related notes and financial statement schedules listed in the accompanying Index (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2017, and the consolidated results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2017, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 23, 2018 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP
Certified Public Accountants

We have served as the Company's auditor since 2017.

Jacksonville, Florida
February 23, 2018,
Except for Note S, as to which the date is
May 30, 2018

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
Fidelity National Financial, Inc.:

We have audited the accompanying Consolidated Balance Sheet of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2016, and the related Consolidated Statements of Earnings, Comprehensive Earnings, Equity, and Cash Flows for each of the years in the two-year period ended December 31, 2016. In connection with our audits of the Consolidated Financial Statements, we also have audited the Financial Statement Schedules listed in the accompanying Index. These Consolidated Financial Statements and Financial Statement Schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these Consolidated Financial Statements and Financial Statement Schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the Consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of Fidelity National Financial, Inc. and subsidiaries as of December 31, 2016, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related Financial Statement Schedules, when considered in relation to the basic Consolidated Financial Statements taken as a whole, present fairly, in all material respect, the information set forth therein.

/s/ KPMG LLP
Jacksonville, Florida

February 27, 2017, except for Notes A and G,
as to which are as of February 23, 2018 and Note S,
as to which is as of May 30, 2018
Certified Public Accountants

Table of Contents**Consolidated Balance Sheets as of December 31, 2017 and 2016**

	December 31,	
	2017	2016
	(In millions, except share data)	
ASSETS		
Investments:		
Fixed maturities available for sale, at fair value, at December 31, 2017 and 2016, includes pledged fixed maturities of \$364 and \$332, respectively, related to secured trust deposits	\$ 1,816	\$ 2,407
Preferred stock available for sale, at fair value	319	315
Equity securities available for sale, at fair value	681	386
Investments in unconsolidated affiliates	150	150
Other long-term investments	110	42
Short-term investments, includes pledged short term investments of \$3 and \$212 at December 31, 2017 and 2016, respectively, related to secured trust deposits	295	482
Total investments	3,371	3,782
Cash and cash equivalents, at December 31, 2017 and 2016, includes pledged cash of \$475 and \$331, respectively, related to secured trust deposits	1,110	1,049
Trade and notes receivables, net of allowance of \$18 and \$21 at December 31, 2017 and 2016, respectively	317	322
Goodwill	2,746	2,555
Prepaid expenses and other assets	398	422
Other intangible assets, net	618	585
Title plants	398	395
Property and equipment, net	193	192
Assets of discontinued operations		5,219
Total assets	\$ 9,151	\$ 14,521
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 955	\$ 933
Income taxes payable	137	4
Notes payable	759	987
Reserve for title claim losses	1,490	1,487
Secured trust deposits	830	860
Deferred tax liability	169	370
Liabilities of discontinued operations		2,638
Total liabilities	4,340	7,279
Commitments and Contingencies:		
Redeemable non-controlling interest by 21% minority holder of ServiceLink Holdings, LLC	344	344
Equity:		
FNF Group common stock, \$0.0001 par value; authorized 487,000,000 shares as of December 31, 2017 and 2016; outstanding of 274,431,737 and 272,205,261 as of December 31, 2017 and 2016, respectively; and issued of 287,718,304 and 285,041,900 as of December 31, 2017 and 2016, respectively		
FNFV Group common stock, \$0.0001 par value; authorized 113,000,000 shares as of December 31, 2016, outstanding of 66,416,822 as of December 31, 2016, and issued of 80,581,675 as of December 31, 2016, see Note G		
Preferred stock, \$0.0001 par value; authorized, 50,000,000 shares; issued and outstanding, none		
Additional paid-in capital	4,587	4,848
Retained earnings	217	1,784
Accumulated other comprehensive earnings (loss)	111	(13)
	(468)	(623)

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Less: Treasury stock, 13,286,567 shares and 27,001,492 shares as of December 31, 2017 and 2016, respectively, at cost

Total Fidelity National Financial, Inc. shareholders' equity	4,447	5,996
Noncontrolling interests	20	902
Total equity	4,467	6,898
Total liabilities, redeemable non-controlling interest and equity	\$ 9,151	\$ 14,521

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Table of Contents**Consolidated Statements of Earnings for the Years Ended December 31, 2017, 2016 and 2015**

	Year Ended December 31,		
	2017	2016	2015
	(In millions, except share data)		
Revenues:			
Direct title insurance premiums	\$ 2,170	\$ 2,097	\$ 2,009
Agency title insurance premiums	2,723	2,626	2,277
Escrow, title-related and other fees	2,637	2,416	2,246
Interest and investment income	131	126	121
Realized gains and losses, net	2	(8)	11
Total revenues	7,663	7,257	6,664
Expenses:			
Personnel costs	2,460	2,275	2,137
Agent commissions	2,089	1,998	1,731
Other operating expenses	1,781	1,648	1,557
Depreciation and amortization	183	160	150
Provision for title claim losses	238	157	246
Interest expense	48	64	73
Total expenses	6,799	6,302	5,894
Earnings from continuing operations before income taxes and equity in earnings of unconsolidated affiliates	864	955	770
Income tax expense on continuing operations	235	347	274
Earnings from continuing operations before equity in earnings of unconsolidated affiliates	629	608	496
Equity in earnings of unconsolidated affiliates	10	14	5
Net earnings from continuing operations	639	622	501
Earnings from discontinued operations, net of tax	155	70	60
Net earnings	794	692	561
Less: Net earnings attributable to non-controlling interests	23	42	34
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 771	\$ 650	\$ 527
Amounts attributable to Fidelity National Financial, Inc., common shareholders:			
Net earnings from continuing operations, attributable to FNF Group common shareholders	\$ 639	\$ 627	\$ 511
Net earnings from discontinued operations, attributable to FNF Group common shareholders	23	27	29
Net earnings attributable to FNF Group common shareholders	\$ 662	\$ 654	\$ 540
Net earnings (loss) from discontinued operations attributable to FNFV Group common shareholders	\$ 109	\$ (4)	\$ (13)
Earnings per share			
<i>Basic</i>			
Net earnings from continuing operations attributable to FNF Group common shareholders	\$ 2.36	\$ 2.31	\$ 1.85
Net earnings from discontinued operations attributable to FNF Group common shareholders	0.08	0.09	0.10

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Net earnings per share attributable to FNF Group common shareholders	\$ 2.44	\$ 2.40	\$ 1.95
Net earnings (loss) per share from discontinued operations attributable to FNFV Group common shareholders	\$ 1.68	\$ (0.06)	\$ (0.16)
<i>Diluted</i>			
Net earnings from continuing operations attributable to FNF Group common shareholders	\$ 2.30	\$ 2.24	\$ 1.79
Net earnings from discontinued operations attributable to FNF Group common shareholders	0.08	0.10	0.10
Net earnings per share attributable to FNF Group common shareholders	\$ 2.38	\$ 2.34	\$ 1.89
Net earnings (loss) per share from discontinued operations attributable to FNFV Group common shareholders	\$ 1.63	\$ (0.06)	\$ (0.16)
Weighted average shares outstanding FNF Group common stock, basic basis	271	272	277
Weighted average shares outstanding FNF Group common stock, diluted basis	278	280	286
Cash dividends paid per share FNF Group common stock	\$ 1.02	\$ 0.88	\$ 0.80
Weighted average shares outstanding FNFV Group common stock, basic basis	65	67	79
Weighted average shares outstanding FNFV Group common stock, diluted basis	67	70	82

See Notes to Consolidated Financial Statements.

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Table of Contents**Consolidated Statements of Comprehensive Earnings for the Years Ended December 31, 2017, 2016 and 2015**

	Year Ended December 31,		
	2017	2016	2015
	(In millions)		
Net earnings	\$ 794	\$ 692	\$ 561
Other comprehensive earnings (loss), net of tax:			
Unrealized gain (loss) on investments and other financial instruments, net (excluding investments in unconsolidated affiliates)(1)	25	38	(38)
Unrealized gain (loss) relating to investments in unconsolidated affiliates(2)	12	10	(27)
Unrealized gain (loss) on foreign currency translation and cash flow hedging(3)	6	2	(8)
Reclassification adjustments for change in unrealized gains and losses included in net earnings(4)	3		
Minimum pension liability adjustment(5)	9	6	2
Other comprehensive earnings (loss)	55	56	(71)
Comprehensive earnings	849	748	490
Less: Comprehensive earnings attributable to noncontrolling interests	25	41	34
Comprehensive earnings attributable to Fidelity National Financial Inc. common shareholders	\$ 824	\$ 707	\$ 456
Comprehensive earnings attributable to FNF Group common shareholders	\$ 709	\$ 703	\$ 494
Comprehensive earnings (loss) attributable to FNFV Group common shareholders	\$ 115	\$ 4	\$ (38)

- (1) Net of income tax expense (benefit) of \$16 million, \$23 million, and \$(23) million for the years ended December 31, 2017, 2016 and 2015, respectively.
- (2) Net of income tax expense (benefit) of \$7 million, \$6 million, and \$(17) million for the years ended December 31, 2017, 2016 and 2015, respectively.
- (3) Net of income tax expense (benefit) of \$4 million, \$1 million, and \$(7) million for the years ended December 31, 2017, 2016, and 2015, respectively.
- (4) Net of income tax expense of \$2 million for the year ended December 31, 2017.
- (5) Net of income tax expense of \$3 million for the years ended December 31, 2017, 2016, and 2015, respectively.

See Notes to Consolidated Financial Statements.

Table of Contents**Consolidated Statements of Equity for the Years Ended December 31, 2017, 2016 and 2015****Fidelity National Financial, Inc. Common Shareholders**

	FNF Group Common Stock	FNFV Group Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Treasury Stock	Non- controlling Interests	Total Equity	Redeemable Non- controlling Interests
	Shares	Shares	\$	\$	\$	Shares	\$	\$	\$
(In millions)									
Balance, December 31, 2014	279	93	\$ 4,855	\$ 1,150	\$ 2	\$ (13)	\$ 79	\$ 6,073	\$ 715
Gain on Black Knight IPO			53				(96)	(43)	
Proceeds Black Knight IPO							475	475	
Exercise of stock options	2		26						26
Purchase of additional interest in consolidated subsidiaries			(6)					(6)	
Tax benefit associated with the exercise of stock-based compensation			21					21	
Issuance of restricted stock	1								
Equity offering costs			(1)					(1)	
Other comprehensive earnings unrealized loss on investments and other financial instruments					(38)			(38)	
Other comprehensive earnings unrealized loss on investments in unconsolidated affiliates					(27)			(27)	
Other comprehensive earnings unrealized loss on foreign currency and cash flow hedging					(8)			(8)	
Other comprehensive earnings minimum pension liability adjustment					2			2	
Stock-based compensation			38				(41)	(3)	59
Shares withheld for taxes and in treasury							(14)	(14)	
Purchases of treasury stock						27	(505)	(505)	
Contributions to noncontrolling interests							(1)	(1)	
Sale of noncontrolling interest							(27)	(27)	
Reclassification of redeemable NCI resulting from IPO/share conversion							430	430	(430)
Retirement of treasury shares		(12)	(186)			(12)	186		
Distribution of J. Alexander's to FNFV Shareholders				(81)			(13)	(94)	
Dilution of ownership in affiliates			(5)					(5)	
Dividends declared				(222)				(222)	
Subsidiary dividends paid to noncontrolling interests							(6)	(6)	
Net earnings				527			34	561	
Balance, December 31, 2015	282	81	\$ 4,795	\$ 1,374	\$ (69)	15	\$ (346)	\$ 834	\$ 6,588

Table of Contents**Consolidated Statements of Equity for the Years Ended December 31, 2017, 2016 and 2015 (Continued)****Fidelity National Financial, Inc. Common Shareholders**

	FNF Group Common Stock		FNFV Group Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Treasury Stock Shares	Treasury Stock \$	Non- controlling Interests	Total Equity	Redeemable Non- controlling Interests						
	Shares	\$	Shares	\$														
(In millions)																		
Balance, December 31, 2015	282	\$	81	\$	4,795	\$	1,374	\$	(69)	15	\$	(346)	\$	834	\$	6,588	\$	344
Exercise of stock options	2				19													19
Issuance of restricted stock	1																	
Other comprehensive earnings unrealized gain (loss) on investments and other financial instruments									38					(1)				37
Other comprehensive earnings unrealized gain on investments in unconsolidated affiliates									10									10
Other comprehensive earnings unrealized gain on foreign currency and cash flow hedging									2									2
Other comprehensive earnings minimum pension liability adjustment									6									6
Stock-based compensation					36									22				58
Shares withheld for taxes and in treasury													(9)					(9)
Purchases of treasury stock										12		(268)						(268)
Debt conversion settled in cash						(2)												(2)
Acquisition of noncontrolling interest														14				14
Dividends declared							(240)											(240)
Subsidiary dividends paid to noncontrolling interests														(9)				(9)
Net earnings							650							42				692
Balance, December 31, 2016	285	\$	81	\$	4,848	\$	1,784	\$	(13)	27	\$	(623)	\$	902	\$	6,898	\$	344

Table of Contents**Consolidated Statements of Equity for the Years Ended December 31, 2017, 2016 and 2015 (Continued)****Fidelity National Financial, Inc. Common Shareholders**

	FNF Group Common Stock		FNFV Group Common Stock		Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Earnings (Loss)	Treasury Stock Shares		Non- controlling Interests	Total Equity	Redeemable Non- controlling Interests						
	Shares	\$	Shares	\$														
(In millions)																		
Balance, December 31, 2016	285	\$	81	\$	4,848	\$	1,784	\$	(13)	27	\$	(623)	\$	902	\$	6,898	\$	344
Exercise of stock options	2				31													31
Issuance of restricted stock	1																	
Other comprehensive earnings unrealized gain on investments and other financial instruments							25					2						27
Other comprehensive earnings unrealized gain on investments in unconsolidated affiliates							12											12
Other comprehensive earnings unrealized gain on foreign currency and cash flow hedging							6											6
Other comprehensive earnings minimum pension liability adjustment							9											9
Reclassification adjustments for change in unrealized gains and losses included in net earnings							3											3
Stock-based compensation					33									11				44
Purchase of additional interest in consolidated subsidiaries					(1)									(1)				(2)
Shares withheld for taxes and in treasury								1	(18)									(18)
Purchases of treasury stock								1	(23)									(23)
Sale of consolidated subsidiary														(6)				(6)
Debt conversions settled in cash					(324)													(324)
Acquisitions of noncontrolling interests														44				44
Black Knight repurchases of BKFS stock														(47)				(47)
Spin-off of Black Knight							(823)							(801)				(1,624)
Distribution of FNFV to Cannae Holdings			(81)				(1,236)	69	(16)	196				(98)				(1,069)
Dividends declared							(279)											(279)
Subsidiary dividends paid to noncontrolling interests														(9)				(9)
Net earnings							771							23				794
Balance, December 31, 2017	288	\$		\$	4,587	\$	217	\$	111	13	\$	(468)	\$	20	\$	4,467	\$	344

Table of Contents**Consolidated Statements of Cash Flows for the Years Ended December 31, 2017, 2016 and 2015**

	Year Ended December 31,		
	2017	2016	2015
	(In millions)		
Cash Flows From Operating Activities:			
Net earnings	\$ 794	\$ 692	\$ 561
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	389	431	410
Equity in losses of unconsolidated affiliates	2	8	16
Net loss on sales of investments and other assets, net	16	2	13
Gain on sale of OneDigital	(276)		
Gain on sale of Cascade Timberlands			(12)
Stock-based compensation cost	44	58	56
Changes in assets and liabilities, net of effects from acquisitions:			
Net (increase) decrease in trade receivables	(11)	(14)	7
Net increase in prepaid expenses and other assets	(60)	(4)	(95)
Net (decrease) increase in accounts payable, accrued liabilities, deferred revenue and other	(31)	87	(2)
Net increase (decrease) in reserve for title claim losses	3	(96)	(38)
Net change in income taxes	(133)	(2)	37
Net cash provided by operating activities	737	1,162	953
Cash Flows From Investing Activities:			
Proceeds from sales of investment securities available for sale	434	238	775
Proceeds from calls and maturities of investment securities available for sale	626	452	383
Proceeds from sales of other assets	4	6	2
Proceeds from the sale of cost method and other investments	21	36	14
Additions to property and equipment and capitalized software	(149)	(290)	(241)
Purchases of investment securities available for sale	(659)	(589)	(1,092)
Purchases of other long-term investments	(86)		(27)
Net (purchases of) proceeds from short-term investment activities	26	547	(685)
Contributions to investments in unconsolidated affiliates	(78)	(166)	(97)
Distributions from unconsolidated affiliates	104	139	353
Net other investing activities	(7)	(7)	(11)
Proceeds from the sale of OneDigital	325		
Acquisition of T-System Holding LLC, net of cash acquired	(202)		
Acquisition of Title Guaranty of Hawaii, net of cash acquired	(93)		
Acquisition of BPG Holdings, LLC, net of cash acquired			(43)
Proceeds from sale of Cascade Timberlands			56
Acquisition of Commissions, Inc., net of cash acquired		(229)	
Acquisition of eLynx Holdings, Inc., net of cash acquired		(115)	
Acquisitions of Real Geeks, LLC and Sky Slope, Inc., net of cash acquired	(82)		
Other acquisitions/disposals of businesses, net of cash acquired	(105)	(213)	(68)
Net cash provided by (used in) investing activities	79	(191)	(681)
Cash Flows From Financing Activities:			
Net change in secured trust deposits	(30)	160	79
Borrowings	785	132	1,360
Debt service payments	(996)	(200)	(1,359)
Additional investment in noncontrolling interest	(2)		(6)
Equity portion of debt conversions paid in cash	(317)	(2)	
Proceeds from Black Knight IPO			475
Distributions by Black Knight to member			(17)
Debt and equity issuance costs			(1)
Black Knight treasury stock repurchases of BKFS stock	(47)		
Cash transferred in J. Alexander's spin-off			(13)
Cash transferred in the Black Knight spin-off	(87)		
Cash transferred in the FNFV split-off	(22)		
Dividends paid	(278)	(239)	(220)
Subsidiary dividends paid to noncontrolling interest shareholders	(9)	(9)	(6)
Exercise of stock options	31	19	26

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Payment of contingent consideration for prior period acquisitions	(16)	(4)	
Payment for shares withheld for taxes and in treasury	(18)	(9)	(13)
Purchases of treasury stock	(23)	(276)	(498)
Net cash used in financing activities	(1,029)	(428)	(193)
Net (decrease) increase in cash and cash equivalents	(213)	543	79
Cash and cash equivalents, at beginning of year	1,323	780	701
Cash and cash equivalents, at end of year	\$ 1,110	\$ 1,323	\$ 780

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Notes to Consolidated Financial Statements

Note A. Business and Summary of Significant Accounting Policies

The following describes the business and significant accounting policies of Fidelity National Financial, Inc. and its subsidiaries (collectively, "we," "us," "our," "the Company" or "FNF") which have been followed in preparing the accompanying Consolidated Financial Statements.

Description of Business

We are a leading provider of (i) title insurance, escrow and other title-related services, including trust activities, trustee sales guarantees, recordings and reconveyances and home warranty products and (ii) technology and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company operating through its title insurance underwriters Fidelity National Title Insurance Company ("FNTIC"), Chicago Title Insurance Company ("Chicago Title"), Commonwealth Land Title Insurance Company ("Commonwealth Title"), Alamo Title Insurance and National Title Insurance of New York Inc. which collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary, ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services, including title-related services and facilitation of production and management of mortgage loans.

For information about our reportable segments, see Note R "*Segment Information*".

Recent Developments

On November 30, 2017, FGL Holdings (formerly known as CF Corporation), a Cayman Islands exempted company, consummated its previously announced acquisition of Fidelity & Guaranty Life, a Delaware corporation ("FGL"), pursuant to the Agreement and Plan of Merger, dated as of May 24, 2017, as amended (the "Merger Agreement"), by and among CF Corporation, FGL, and certain subsidiaries of CF Corporation and FGL (collectively, the "FGL Merger"). In connection with the FGL Merger, FNF received 13,732,000 common shares and 100,000 Series B Cumulative Preferred ("FG Preferred") shares in exchange for an aggregate investment of \$213 million. As of December 31, 2017 FNF owns 16,732,000 common shares, inclusive of 3,000,000 common shares of CF Corporation held prior to the FGL Merger, and 100,000 FG Preferred shares with an aggregate market value of \$246 million and we own approximately 8.5% of the outstanding common equity of FGL. The Company's non-executive Chairman, William P. Foley, II, is also the Co-Executive Chairman of FGL.

On November 17, 2017 we completed our previously announced split-off (the "FNFV Split-Off") of our former wholly-owned subsidiary Cannae Holdings, Inc. ("Cannae") which consisted of the businesses, assets and liabilities formerly attributed to our FNF Ventures ("FNFV") Group including Ceridian Holding, LLC, American Blue Ribbon Holdings, LLC and T-System Holding LLC. The FNFV Split-Off was accomplished by the Company's redemption (the "Redemption") of all of the outstanding shares of FNFV Group common stock, par value \$0.0001 per share ("FNFV common stock") for outstanding shares of common stock of Cannae, par value \$0.0001 per share ("Cannae common stock"), amounting to a redemption on a per share basis of each outstanding share of FNFV common stock for one share of Cannae common stock, as of November 17, 2017. As a result of the FNFV Split-Off, Cannae is a separate, publicly traded company (NYSE: CNNE). All of the Company's core title insurance, real estate, technology and mortgage related businesses, assets and liabilities currently attributed to the Company's FNF Group common stock that are not held by Cannae remain with the Company. As a result of the FNFV Split-Off, we have reclassified the assets and liabilities divested as assets and liabilities of discontinued operations in our Consolidated Balance Sheet as of December 31, 2016. Further, the financial results of FNFV Group have been reclassified to discontinued operations

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

for all periods presented in our Consolidated Statements of Earnings. For further details of the results of FNFV Group, see Note G, "*Discontinued Operations*".

On November 17, 2017, Frank P. Willey resigned from our Board of Directors.

On September 29, 2017 we completed our tax-free distribution, to FNF Group shareholders of all 83.3 million shares of New BKH Corp. ("New BKH") common stock that we previously owned (the "BK Distribution"). Immediately following the BK Distribution, New BKH and Black Knight Financial Services, Inc. ("Black Knight") engaged in a series of transactions resulting in the formation of a new publicly-traded holding company, Black Knight, Inc. ("New Black Knight"). Holders of FNF Group common stock received approximately 0.30663 shares of New Black Knight common stock for every one share of FNF Group common stock held at the close of business on September 20, 2017, the record date for the BK Distribution. New Black Knight's common stock is now listed under the symbol "BKI" on the New York Stock Exchange. The BK Distribution is expected to generally be tax-free to FNF Group shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of New Black Knight's fractional shares. As a result of the BK Distribution, we have reclassified the assets and liabilities divested as assets and liabilities of discontinued operations in our Consolidated Balance Sheet as of December 31, 2016. Further, the financial results of Black Knight have been reclassified to discontinued operations for all periods presented in our Consolidated Statements of Earnings. For further details of the results of Black Knight, see Note G, "*Discontinued Operations*".

On August 31, 2017, we completed our acquisition of 90% of the membership interests of Title Guaranty of Hawaii ("Title Guaranty") for \$98 million. Title Guaranty was previously an unaffiliated agent of Chicago Title and will continue to be closely aligned with Chicago Title as it formally becomes part of the FNF title company family. Founded in 1896, Title Guaranty is the oldest title company in the State of Hawaii and is a leading provider of title and escrow services, with more than 300 employees in branches across the State of Hawaii providing title insurance and real estate closing services. For further discussion, see Note B, "*Acquisitions*".

On May 3, 2017, our Board of Directors adopted a resolution to increase the size of our Board of Directors to thirteen and elected Heather H. Murren to serve on our Board of Directors. Ms. Murren will serve in Class I of our Board of Directors, and her term will expire at the annual meeting of our shareholders to be held in 2018. In January 2018, Ms. Murren was appointed to the Audit Committee of our Board.

Effective March 1, 2017, three of the Company's title insurance underwriters, Fidelity National Title Insurance Company, Chicago Title Insurance Company and Commonwealth Land Title Insurance Company, redomesticated from their respective former states of domicile to Florida (the "Redomestication"). In conjunction with the Redomestication, the Company received a special dividend of \$280 million from these title insurance underwriters on March 15, 2017.

Principles of Consolidation and Basis of Presentation

The accompanying Consolidated Financial Statements are prepared in accordance with generally accepted accounting principles ("GAAP") and include our accounts as well as our wholly-owned and majority-owned subsidiaries. All intercompany profits, transactions and balances have been eliminated. Our investments in non-majority-owned partnerships and affiliates are accounted for using the equity method until such time that they become wholly or majority-owned. Earnings attributable to

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

noncontrolling interests are recorded on the Consolidated Statements of Earnings relating to majority-owned subsidiaries with the appropriate noncontrolling interest that represents the portion of equity not related to our ownership interest recorded on the Consolidated Balance Sheets in each period.

Investments

Fixed maturity securities are purchased to support our investment strategies, which are developed based on factors including rate of return, maturity, credit risk, duration, tax considerations and regulatory requirements. Fixed maturity securities which may be sold prior to maturity to support our investment strategies are carried at fair value and are classified as available for sale as of the balance sheet dates. Fair values for fixed maturity securities are principally a function of current market conditions and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly. Discount or premium is recorded for the difference between the purchase price and the principal amount. The discount or premium is amortized or accrued using the interest method and is recorded as an adjustment to interest and investment income. The interest method results in the recognition of a constant rate of return on the investment equal to the prevailing rate at the time of purchase or at the time of subsequent adjustments of book value. Changes in prepayment assumptions are accounted for retrospectively.

Equity securities and preferred stocks held are considered to be available for sale and carried at fair value as of the balance sheet dates. Our equity securities and certain preferred stocks are Level 1 financial assets and fair values are based on quoted prices in active markets. Other preferred stock holdings are Level 2 financial assets and are valued based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly.

Investments in unconsolidated affiliates are recorded using the equity method of accounting.

Other long-term investments consist of various cost-method investments and company-owned life insurance policies. The cost-method investments are carried at historical cost. The carrying value of our cost-method investments is \$78 million and \$6 million, at December 31, 2017 and 2016, respectively. Company-owned life insurance policies are carried at cash surrender value.

Short-term investments, which consist primarily of commercial paper and money market instruments, which have an original maturity of one year or less, are carried at amortized cost, which approximates fair value.

Realized gains and losses on the sale of investments are determined on the basis of the cost of the specific investments sold and are credited or charged to income on a trade date basis. Unrealized gains or losses on securities which are classified as available for sale, net of applicable deferred income tax expenses (benefits), are excluded from earnings and credited or charged directly to a separate component of equity. If any unrealized losses on available for sale securities are determined to be other-than-temporary, such unrealized losses are recognized as realized losses. Unrealized losses are considered other-than-temporary if factors exist that cause us to believe that the value will not increase to a level sufficient to recover our cost basis. Some factors considered in evaluating whether or not a decline in fair value is other-than-temporary include: (i) our need and intent to sell the investment prior to a period of time sufficient to allow for a recovery in value; (ii) the duration and extent to which the fair value has been less than cost; and (iii) the financial condition and prospects of the issuer. Such reviews are inherently uncertain and the value of the investment may not fully recover or may decline in future periods resulting in a realized loss.

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Highly liquid instruments purchased as part of cash management with original maturities of three months or less are considered cash equivalents. The carrying amounts reported in the Consolidated Balance Sheets for these instruments approximate their fair value.

Fair Value of Financial Instruments

The fair values of financial instruments presented in the Consolidated Financial Statements are estimates of the fair values at a specific point in time using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data. We do not necessarily intend to dispose of or liquidate such instruments prior to maturity.

Trade and Notes Receivables

The carrying values reported in the Consolidated Balance Sheets for trade and notes receivables approximate their fair value.

Goodwill

Goodwill represents the excess of cost over fair value of identifiable net assets acquired and assumed in a business combination. Goodwill and other intangible assets with indefinite useful lives are reviewed for impairment annually or more frequently if circumstances indicate potential impairment, through a comparison of fair value to the carrying amount. In evaluating the recoverability of goodwill, we perform an annual goodwill impairment analysis based on a review of qualitative factors to determine if events and circumstances exist which will lead to a determination that the fair value of a reporting unit is greater than its carrying amount, prior to performing a full fair-value assessment.

We completed annual goodwill impairment analyses in the fourth quarter of each period presented using a September 30 measurement date and as a result no goodwill impairments have been recorded. For the years ended December 31, 2017 and 2016, we determined there were no events or circumstances which indicated that the carrying value exceeded the fair value.

Other Intangible Assets

We have other intangible assets, not including goodwill, which consist primarily of customer relationships and contracts, trademarks and tradenames, and computer software, which are generally recorded in connection with acquisitions at their fair value. Intangible assets with estimable lives are amortized over their respective estimated useful lives to their estimated residual values and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In general, customer relationships are amortized over their estimated useful lives, generally 10 years, using an accelerated method which takes into consideration expected customer attrition rates. Contractual relationships are generally amortized over their contractual life. Trademarks and tradenames are generally amortized over 10 years. Capitalized software includes the fair value of software acquired in business combinations, purchased software and capitalized software development costs. Purchased software is recorded at cost and amortized using the straight-line method over its estimated useful life. Software acquired in business combinations is recorded at its fair value and amortized using straight-line or accelerated methods over its estimated useful life, ranging from 5 to

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

10 years. For internal-use computer software products, internal and external costs incurred during the preliminary project stage are expensed as they are incurred. Internal and external costs incurred during the application development stage are capitalized and amortized on a product by product basis commencing on the date the software is ready for its intended use. We do not capitalize any costs once the software is ready for its intended use.

We recorded \$1 million in impairment expense to other intangible assets during the years ended December 31, 2017 and 2016. The impairment in 2017 was for computer software at ServiceLink. The impairment in 2016 was for customer relationships and tradenames at our real estate subsidiaries in our Corporate and Other segment. We recorded no impairment expense related to other intangible assets in the year ended December 31, 2015.

Title Plants

Title plants are recorded at the cost incurred to construct or obtain and organize historical title information to the point it can be used to perform title searches. Costs incurred to maintain, update and operate title plants are expensed as incurred. Title plants are not amortized as they are considered to have an indefinite life if maintained. Sales of title plants are reported at the amount received net of the adjusted costs of the title plant sold. Sales of title plant copies are reported at the amount received. No cost is allocated to the sale of copies of title plants unless the carrying value of the title plant is diminished or impaired. Title plants are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable. We reviewed title plants for impairment but recorded no impairment expense related to title plants in the years ended December 31, 2017 or 2016. We reviewed title plants for impairment in the year ended December 31, 2015 and identified and recorded impairment expense of \$1 million.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is computed primarily using the straight-line method based on the estimated useful lives of the related assets: twenty to thirty years for buildings and three to twenty-five years for furniture, fixtures and equipment. Leasehold improvements are amortized on a straight-line basis over the lesser of the term of the applicable lease or the estimated useful lives of such assets. Property and equipment are reviewed for impairment whenever events or circumstances indicate that the carrying amounts may not be recoverable.

Reserve for Title Claim Losses

Our reserve for title claim losses includes known claims as well as losses we expect to incur, net of recoupments. Each known claim is reserved based on our review as to the estimated amount of the claim and the costs required to settle the claim. Reserves for claims which are incurred but not reported are established at the time premium revenue is recognized based on historical loss experience and also take into consideration other factors, including industry trends, claim loss history, current legal environment, geographic considerations and the type of policy written.

The reserve for title claim losses also includes reserves for losses arising from closing and disbursement functions due to fraud or operational error.

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

If a loss is related to a policy issued by an independent agent, we may proceed against the independent agent pursuant to the terms of the agency agreement. In any event, we may proceed against third parties who are responsible for any loss under the title insurance policy under rights of subrogation.

Secured Trust Deposits

In the state of Illinois, a trust company is permitted to commingle and invest customers' assets with its own assets, pending completion of real estate transactions. Accordingly, our Consolidated Balance Sheets reflect a secured trust deposit liability of \$830 million and \$860 million at December 31, 2017 and 2016, respectively, representing customers' assets held by us and corresponding assets including cash and investments pledged as security for those trust balances.

Income Taxes

We recognize deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of our assets and liabilities and expected benefits of utilizing net operating loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The impact on deferred taxes of changes in tax rates and laws, if any, is applied to the years during which temporary differences are expected to be settled and reflected in the financial statements in the period enacted.

Reinsurance

In a limited number of situations, we limit our maximum loss exposure by reinsuring certain risks with other insurers. We also earn a small amount of additional income, which is reflected in our direct premiums, by assuming reinsurance for certain risks of other insurers. We cede a portion of certain policy and other liabilities under agent fidelity, excess of loss and case-by-case reinsurance agreements. Reinsurance agreements provide that in the event of a loss (including costs, attorneys' fees and expenses) exceeding the retained amounts, the reinsurer is liable for the excess amount assumed. However, the ceding company remains primarily liable in the event the reinsurer does not meet its contractual obligations.

Revenue Recognition

Title. Our direct title insurance premiums and escrow, title-related and other fees are recognized as revenue at the time of closing of the related transaction as the earnings process is then considered complete.

Premium revenues from agency operations and agency commissions include an accrual based on estimates using historical information of the volume of transactions that have closed in a particular period for which premiums have not yet been reported to us. The accrual for agency premiums is necessary because of the lag between the closing of these transactions and the reporting of these policies to us by the agent. Historically, the time lag between the closing of these transactions by our agents and the reporting of these policies, or premiums, to us has been up to 15 months, with 84 - 88% reported within three months following closing, an additional 9 - 12% reported within the next three months and the remainder within seven to fifteen months. In addition to accruing these earned but unreported agency premiums, we also accrue agent commission expense, which was 76.7%, of agent

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note A. Business and Summary of Significant Accounting Policies (Continued)**

premiums earned in 2017, 76.1% of agent premiums earned in 2016, and 76.0% of agent premiums earned in 2015. We also record a provision for claim losses at the provision rate at the time we record the accrual for the premiums, which averaged 4.9% for 2017, 5.4%, excluding the release of excess reserves relating to prior years of \$97 million, for 2016, and 5.7% for 2015 and accruals for premium taxes and other expenses relating to our premium accrual. The resulting impact to pretax earnings in any period is approximately 11% or less of the accrued premium amount. The impact of the change in the accrual for agency premiums and related expenses on our pretax earnings was an increase of \$1 million for the year ended December 31, 2017, an increase of \$4 million for the year ended 2016 and a decrease of \$5 million for the year ended 2015. The amount due from our agents relating to this accrual, i.e., the agent premium less their contractual retained commission, was approximately \$55 million and \$53 million at December 31, 2017 and 2016, respectively, which represents agency premiums of approximately \$280 million and \$267 million at December 31, 2017 and 2016, respectively, and agent commissions of \$225 million and \$214 million at December 31, 2017 and 2016, respectively.

Revenues from home warranty products are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in accounts payable and other accrued liabilities in the Consolidated Balance Sheets.

Comprehensive Earnings (Loss)

We report Comprehensive earnings (loss) in accordance with GAAP on the Consolidated Statements of Comprehensive Earnings. Total comprehensive earnings are defined as all changes in shareholders' equity during a period, other than those resulting from investments by and distributions to shareholders. While total comprehensive earnings is the activity in a period and is largely driven by net earnings in that period, accumulated other comprehensive earnings or loss represents the cumulative balance of other comprehensive earnings, net of tax, as of the balance sheet date. Amounts reclassified to net earnings relate to the realized gains (losses) on our investments and other financial instruments, excluding investments in unconsolidated affiliates, and are included in Realized gains and losses, net on the Consolidated Statements of Earnings.

Changes in the balance of Other comprehensive earnings (loss) by component are as follows:

	Unrealized gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates)	Unrealized (loss) gain relating to investments in unconsolidated affiliates	Unrealized (loss) gain on foreign currency translation and cash flow hedging	Minimum pension liability adjustment	Total Accumulated Other Comprehensive (Loss) Earnings
	(In millions)				
Balance December 31, 2015	48	(78)	(15)	(24)	(69)
Other comprehensive earnings	38	10	2	6	56
Balance December 31, 2016	86	(68)	(13)	(18)	(13)
Other comprehensive earnings	25	12	6	9	52
Reclassification adjustments	3				3
Distribution of FNFV to Cannae Holdings	2	67			69
Balance December 31, 2017	\$ 116	\$ 11	\$ (7)	\$ (9)	\$ 111

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

Redeemable Non-controlling Interest

Subsequent to our acquisition of Lender Processing Services, Inc. ("LPS") in January 2014, we issued a 35% ownership interest in ServiceLink to funds affiliated with Thomas H. Lee Partners ("THL" or "the minority interest holder"). THL has an option to put its ownership interests of ServiceLink to us if no public offering of the corresponding business was consummated after four years from the date of FNF's purchase of LPS. The units owned by THL (the "redeemable noncontrolling interests") may be settled in cash or common stock of FNF or a combination of both at our election. As of January 2018, no public offering was made and the redeemable noncontrolling interests were no longer subject to a holding requirement. The redeemable noncontrolling interests will be settled at the current fair value at the time we receive notice of THL's put election as determined by the parties or by a third party appraisal under the terms of the Unit Purchase Agreement. As a result of a recapitalization of ServiceLink in 2015, the ownership interest by the minority interest holder was reduced from 35% to 21%. As of December 31, 2017, we do not believe the exercise of their remaining put right in ServiceLink to be probable.

As these redeemable noncontrolling interests provide for redemption features not solely within our control, we classify the redeemable noncontrolling interests outside of permanent equity. Redeemable noncontrolling interests held by third parties in subsidiaries owned or controlled by FNF is reported on the Consolidated Balance Sheet outside permanent of equity; and the Consolidated Statement of Earnings reflects the respective redeemable noncontrolling interests in Net earnings (loss) attributable to non-controlling interests, the effect of which is removed from the net earnings attributable to Fidelity National Financial, Inc. common shareholders.

Earnings Per Share

Basic earnings per share, as presented on the Consolidated Statement of Earnings, is computed by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding during the period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain stock options, shares of restricted stock, convertible debt instruments and certain other convertible share based payments which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

Options or other instruments which provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. For the year ended December 31, 2017, no antidilutive options were outstanding. For the year ended December 31, 2016 and 2015, options to purchase two million shares and one million shares, respectively, of our common stock were excluded from the computation of diluted earnings per share.

Basic and diluted earnings per share attributable to our former FNFV group common stock for the 2017 period were calculated using weighted average shares outstanding through the date of the FNFV Split-off, November 17, 2017.

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Notes to Consolidated Financial Statements (Continued)

Note A. Business and Summary of Significant Accounting Policies (Continued)

Stock-Based Compensation Plans

We account for stock-based compensation plans using the fair value method. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date, using the Black-Scholes Model, and recognized over the service period.

Management Estimates

The preparation of these Consolidated Financial Statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain Reclassifications

Certain reclassifications have been made in the 2016 and 2015 Consolidated Financial Statements to conform to classifications used in 2017. These reclassifications have not changed net earnings or total equity, as previously reported.

For further information on reclassifications related to disposed businesses, see Note G, "*Discontinued Operations*".

As of December 31, 2017, we have reclassified our Computer software to Other intangible assets, net. The impact for the Consolidated Balance Sheet as of December 31, 2016 was a decrease to Computer software and corresponding increase to Other intangible assets, net of \$114 million. For further details, see Note H, "*Other Intangible Assets*".

Note B. Acquisitions

The results of operations and financial position of the entities acquired during any year are included in the Consolidated Financial Statements from and after the date of acquisition.

Title

Title Guaranty of Hawaii

On August 31, 2017, FNF Group completed its acquisition of 90% of the membership interest of Title Guaranty of Hawaii ("Title Guaranty") for \$98 million. Title Guaranty was previously an unaffiliated agent and will continue to be closely aligned with Chicago Title as it formally becomes part of the FNF title company family. Founded in 1896, Title Guaranty is the oldest title company in the State of Hawaii and is a leading provider of title and escrow services, with more than 300 employees in branches across the State of Hawaii providing title insurance and real estate closing services. The acquisition does not meet the definition of "significant" pursuant to Article 3 of Regulation S-X (§210.3-05). Further, the results of operations are not material to our historical financial statements.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note B. Acquisitions (Continued)**

We paid total consideration, net of cash received, of \$93 million in exchange for 90% of the equity interests of Title Guaranty. The total cash consideration paid was as follows (in millions):

Total cash paid	\$ 98
Less: Cash acquired	(5)
Total net consideration paid	\$ 93

The purchase price has been initially allocated to Title Guaranty's assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. The goodwill recorded is expected to be deductible for tax purposes. These estimates are preliminary and subject to adjustments as we complete our valuation process with respect to Title plant, Goodwill, and Other intangible assets.

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed as of the acquisition date (in millions):

	Fair Value
Accounts receivable	\$ 1
Property and equipment	4
Other intangible assets	60
Goodwill	40
Title plant	3
Prepaid expenses and other	1
Total assets acquired	109
Accounts payable and accrued liabilities	5
Total liabilities assumed	5
Non-controlling interests assumed	11
Total liabilities and equity assumed	16
Net assets acquired	\$ 93

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note B. Acquisitions (Continued)**

The gross carrying value and weighted average estimated useful lives of Property and equipment and Other intangible assets acquired in the Title Guaranty acquisition consist of the following (dollars in millions):

	Gross Carrying Value	Weighted Average Estimated Useful Life (in years)
Property and equipment	\$ 4	5
Other intangible assets:		
Customer relationships	52	10
Trade name	7	10
Non-compete agreements	1	5
Total Other intangible assets	60	
Total	\$ 64	

Other Title Acquisitions

During the year ended December 31, 2016, we completed several acquisitions of businesses (the "Title Acquisitions") aligned with our Title segment. The Title Acquisitions do not meet the definition of "significant", individually or in the aggregate, pursuant to Article 3 of Regulation S-X (§210.3-05). Further, their historical results of operations are not material to our financial statements.

We paid total consideration, net of cash received, of \$89 million in exchange for the assets and/or equity interests of the Title Acquisitions. The total consideration paid was as follows (in millions):

Cash paid	\$ 92
Less: Cash acquired	(3)
Total net consideration paid	\$ 89

The purchase price has been allocated to the Title Acquisitions' assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note B. Acquisitions (Continued)**

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed for the Title Acquisitions as of the acquisition date (in millions):

	Fair Value
Trade and notes receivable	\$ 5
Other intangible assets	68
Goodwill	48
Prepaid expenses and other assets	1
Title plant	2
Property and equipment, net	3
Total assets acquired	127
Accounts payable and accrued liabilities	30
Deferred tax liability	8
Total liabilities assumed	38
Net assets acquired	\$ 89

The gross carrying value and weighted average estimated useful lives of Computer software and Other intangible assets acquired in the Title Acquisitions consist of the following (dollars in millions):

	Gross Carrying Value	Weighted Average (Estimated Useful Life in years)
Other intangible assets:		
Customer relationships	\$ 57	10
Trade name	6	10
Non-compete agreements	1	5
Computer software	2	3
Other	2	1
Total Other intangible assets	\$ 68	

Corporate and Other*Real Geeks and SkySlope*

During the year ended December 31, 2017, CINC and FNF completed their acquisitions of Real Geeks, LLC ("RG") and SkySlope, Inc. ("SS"), respectively (together, the "Real Estate Technology Acquisitions"). The Real Estate Technology Acquisitions were made to supplement our Commissions, Inc. ("CINC") business. The Real Estate Technology Acquisitions do not meet the definition of "significant", individually or in the aggregate, pursuant to Article 3 of Regulation S-X (§210.3-05). Further, their historical results of operations are not material to our financial statements.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note B. Acquisitions (Continued)**

CINC and FNF paid total aggregate consideration, net of cash received, of \$98 million in exchange for 100% and 67% of the equity interests of RG and SS, respectively. The total consideration paid was as follows (in millions):

Total purchase price	\$ 101
Less: Cash acquired	(3)
Total net assets acquired	98
Less: Contingent consideration payable	(16)
Total net cash paid	\$ 82

The purchase price has been allocated to the Real Estate Technology Acquisitions' assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired. \$37 million of the goodwill recorded is expected to be deductible for tax purposes. These estimates are preliminary and subject to adjustments as we complete our valuation process with respect to Goodwill and Other intangible assets.

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed for the Real Estate Technology Acquisitions as of the acquisition date (in millions):

	Fair Value
Other intangible assets	\$ 38
Goodwill	92
Property and equipment, net	1
Total assets acquired	131
Accounts payable and accrued liabilities	1
Deferred tax liability	9
Total liabilities assumed	10
Non-controlling interests	23
Total liabilities and equity assumed	33
Net assets acquired	\$ 98

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note B. Acquisitions (Continued)**

The gross carrying value and weighted average estimated useful lives of the Other intangible assets acquired in the Real Estate Technology Acquisitions consist of the following (dollars in millions):

	Gross Carrying Value	Weighted Average Estimated Useful Life (in years)
Property and equipment, net	\$ 1	1 - 5
Other intangible assets:		
Customer relationships	14	10
Trade name	5	10
Non-compete agreements	2	5
Computer software	17	7
Total Other intangible assets	\$ 38	

Commissions, Inc.

On August 23, 2016, we completed our acquisition of CINC, a leading provider of web-based real estate marketing and customer relationship management software for elite Realtors® and agent teams across North America, for \$229 million. CINC's product offerings include software, marketing and services designed to enhance the productivity and sales results of elite Realtors® and agent teams through lead generation and proactive lead management. CINC's financial position and results of operations from the acquisition date are included in our Corporate and Other segment. The acquisition does not meet the definition of "significant" pursuant to Article 3 of Regulation S-X (§210.3-05). Further, the results of operations are not material to our historical financial statements.

We paid total consideration, net of cash received, of \$229 million in exchange for 95% of the equity interests of CINC. The total consideration paid was as follows (in millions):

Cash paid	\$ 240
Less: Cash Acquired	(11)
Total net consideration paid	\$ 229

The purchase price has been initially allocated to CINC's assets acquired and liabilities assumed based on our best estimates of their fair values as of the acquisition date. Goodwill has been recorded based on the amount that the purchase price exceeds the fair value of the net assets acquired.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note B. Acquisitions (Continued)**

The following table summarizes the total purchase price consideration and the preliminary fair value amounts recognized for the assets acquired and liabilities assumed as of the acquisition date (in millions):

	Fair Value
Trade and notes receivable, net	\$ 1
Prepaid and other assets	2
Other intangible assets	90
Goodwill	165
Income taxes receivable	2
Total assets acquired	260
Accounts payable and accrued liabilities	7
Deferred tax liability	12
Total liabilities assumed	19
Non-controlling interests	12
Total liabilities and equity assumed	31
Net assets acquired	\$ 229

The gross carrying value and weighted average estimated useful lives of Computer software and Other intangible assets acquired in the CINC acquisition consist of the following (dollars in millions):

	Gross Carrying Value	Weighted Average Estimated Useful Life (in years)
Other intangible assets:		
Customer relationships	\$ 46	10
Tradenname	13	10
Computer software	28	7
Non-compete agreements	3	4
Total Other intangible assets	\$ 90	

For comparative purposes, selected unaudited pro-forma consolidated results of operations of FNF for the years ended December 31, 2016 and 2015 are presented below. Pro-forma results presented assume the consolidation of CINC occurred as of the beginning of the 2015 period. Amounts reflect our 95% ownership interest in CINC and are adjusted to exclude costs directly attributable to the acquisition of CINC, including transaction costs.

	Year ended December 31,	
	2016	2015
Total revenues	\$ 7,285	\$ 6,695
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	653	529

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note C. Fair Value Measurements**

The fair value hierarchy established by the accounting standards on fair value measurements includes three levels which are based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities that are recorded in the Consolidated Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1. Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that we have the ability to access.

Level 2. Financial assets and liabilities whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3. Financial assets and liabilities whose values are based on model inputs that are unobservable.

The following table presents our fair value hierarchy for those assets measured at fair value on a recurring basis as of December 31, 2017 and 2016, respectively:

	December 31, 2017			Total
	Level 1	Level 2	Level 3	
	(In millions)			
Assets:				
Fixed-maturity securities available for sale:				
U.S. government and agencies	\$	\$ 195	\$	\$ 195
State and political subdivisions		391		391
Corporate debt securities		1,117		1,117
Foreign government bonds		57		57
Mortgage-backed/asset-backed securities		56		56
Preferred stock available for sale		23	296	319
Equity securities available for sale		681		681
Total	\$ 704	\$ 2,112	\$	\$ 2,816

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note C. Fair Value Measurements (Continued)**

	December 31, 2016			
	Level 1	Level 2	Level 3	Total
	(In millions)			
Fixed-maturity securities available for sale:				
U.S. government and agencies	\$	\$ 117	\$	\$ 117
State and political subdivisions		615		615
Corporate debt securities		1,508		1,508
Foreign government bonds		109		109
Mortgage-backed/asset-backed securities		58		58
Preferred stock available for sale	32	283		315
Equity securities available for sale	386			386
Total	\$ 418	\$ 2,690	\$	\$ 3,108

Our Level 2 fair value measures for preferred stock and fixed-maturity securities available for sale are provided by a third-party pricing service. We utilize one firm for our preferred stock and our bond portfolios. The pricing service is a leading global provider of financial market data, analytics and related services to financial institutions. We rely on one price for each instrument to determine the carrying amount of the assets on our balance sheet. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are as follows:

U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.

State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.

Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.

Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.

Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note C. Fair Value Measurements (Continued)**

Preferred stock: Preferred stocks are valued by calculating the appropriate spread over a comparable US Treasury security. Inputs include benchmark quotes and other relevant market data.

As of December 31, 2017 and 2016 we held no material assets or liabilities measured at fair value using Level 3 inputs.

There were no transfers of assets or liabilities measured at fair value using Level 1 inputs to Level 2 in the years ended December 31, 2017 or 2016.

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. The fair value of our notes payable is included in Note J *Notes Payable*.

Additional information regarding the fair value of our investment portfolio is included in Note D *Investments*.

Note D. Investments

The carrying amounts and fair values of our available for sale securities at December 31, 2017 and 2016 are as follows:

	Carrying Value	Cost Basis	December 31, 2017		Fair Value
			Unrealized Gains	Unrealized Losses	
(In millions)					
Fixed maturity investments available for sale:					
U.S. government and agencies	\$ 195	\$ 196	\$	(1)	\$ 195
States and political subdivisions	391	387	4		391
Corporate debt securities	1,117	1,110	11	(4)	1,117
Foreign government bonds	57	58	1	(2)	57
Mortgage-backed/asset-backed securities	56	55	1		56
Preferred stock available for sale	319	307	12		319
Equity securities available for sale	681	517	172	(8)	681
Total	\$ 2,816	\$ 2,630	\$ 201	\$ (15)	\$ 2,816

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note D. Investments (Continued)**

	Carrying Value	Cost Basis	December 31, 2016		Fair Value
			Unrealized Gains	Unrealized Losses	
(In millions)					
Fixed maturity investments available for sale:					
U.S. government and agencies	\$ 117	\$ 117	\$	\$	\$ 117
States and political subdivisions	615	607	9	(1)	615
Corporate debt securities	1,508	1,499	15	(6)	1,508
Foreign government bonds	109	117		(8)	109
Mortgage-backed/asset-backed securities	58	56	2		58
Preferred stock available for sale	315	312	6	(3)	315
Equity securities available for sale	386	278	108		386
Total	\$ 3,108	\$ 2,986	\$ 140	\$ (18)	\$ 3,108

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or discount since the date of purchase.

The change in net unrealized gains and (losses) on fixed maturities for the years ended December 31, 2017, 2016, and 2015 was \$(1) million, \$13 million, and \$(64) million, respectively.

The following table presents certain information regarding contractual maturities of our fixed maturity securities at December 31, 2017:

Maturity	Amortized Cost	December 31, 2017		% of Total
		% of Total	Fair Value	
(Dollars in millions)				
One year or less	\$ 496	27.5%	\$ 496	27.3%
After one year through five years	1,219	67.5	1,227	67.5
After five years through ten years	31	1.7	32	1.8
After ten years	5	0.3	5	0.3
Mortgage-backed/asset-backed securities	55	3.0	56	3.1
	\$ 1,806	100.0%	\$ 1,816	100.0%

Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity.

Fixed maturity securities valued at approximately \$128 million and \$123 million were on deposit with various governmental authorities at December 31, 2017 and 2016, respectively, as required by law.

Equity securities are carried at fair value. The change in net unrealized gains and losses on equity securities for the years ended December 31, 2017, 2016 and 2015 was a net increase (decrease) of \$56 million, \$39 million, and \$(4) million, respectively.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note D. Investments (Continued)**

Net unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2017 and 2016 are as follows (in millions):

December 31, 2017

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Corporate debt securities	\$ 464	\$ (3)	\$ 51	\$ (1)	\$ 515	\$ (4)
U.S. government and agencies	149	(1)			149	(1)
Foreign government bonds			10	(2)	10	(2)
Equity securities available for sale	121	(7)	5	(1)	126	(8)
Total temporarily impaired securities	\$ 734	\$ (11)	\$ 66	\$ (4)	\$ 800	\$ (15)

December 31, 2016

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
States and political subdivisions	\$ 107	\$ (1)	\$	\$	\$ 107	\$ (1)
Corporate debt securities	410	(4)	11	(2)	421	(6)
Foreign government bonds	85	(4)	20	(4)	105	(8)
Preferred stock available for sale	55	(2)	42	(1)	97	(3)
Total temporarily impaired securities	\$ 657	\$ (11)	\$ 73	\$ (7)	\$ 730	\$ (18)

The unrealized losses for the corporate debt securities and U.S. government bonds were primarily caused by fluctuations in interest rates. The unrealized losses for the foreign government bonds were primarily caused by foreign exchange fluctuations. We consider the unrealized losses related to these securities to be temporary rather than changes in credit quality. We expect to recover the entire amortized cost basis of our temporarily impaired fixed maturity securities as we do not intend to sell these securities and we do not believe that we will be required to sell the fixed maturity securities before recovery of the cost basis. For these reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2017. It is reasonably possible that declines in fair value below cost not considered other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

The unrealized losses for the equity securities available for sale were primarily caused by market volatility in certain investees and market sectors. We expect to recover the entire cost basis of our temporarily impaired equity securities available for sale as we do not intend to sell these securities and we do not believe that we will be required to sell the securities before recovery of the cost basis. For these reasons, we do not consider these securities other-than-temporarily impaired at December 31, 2017. It is reasonably possible that declines in fair value below cost not considered

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note D. Investments (Continued)**

other-than-temporary in the current period could be considered to be other-than-temporary in a future period and earnings would be reduced to the extent of the impairment.

During the years ended December 31, 2017, 2016 and 2015 we incurred impairment charges relating to investments that were determined to be other-than-temporarily impaired, which resulted in impairment charges of \$1 million, \$19 million and \$14 million, respectively. The impairment charges in 2017 related to a fixed maturity security of an investee entering Chapter 11 bankruptcy which has exhibited a decreasing fair market value and from which we are uncertain of our ability to recover our initial investment. The impairment charges in 2016 related to fixed maturity securities of \$13 million, an investment in an unconsolidated affiliate of \$3 million, and another long term investment of \$3 million. In each case, we determined the credit risk of the holdings was high and the ability to recover our investment was unlikely. Impairment charges in the 2015 period was for a fixed maturity security that we determined the credit risk was high and the ability of the issuer to pay the full amount of the principal outstanding was unlikely.

As of December 31, 2017, we held no securities for which other-than-temporary impairments had been previously recognized. As of December 31, 2016, we held \$7 million investments for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize potential future impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our consolidated financial statements.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the years ended December 31, 2017, 2016, and 2015, respectively:

	Year ended December 31, 2017			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Matu
	(In millions)			
Fixed maturity securities available for sale	\$ 7	\$ (8)	\$ (1)	\$ 968
Preferred stock available for sale				10
Other long-term investments			9	21
Loss on debt conversions			(6)	
Property, plant and equipment			2	4
Other intangible assets			(1)	
Other realized gains and losses, net			(1)	
Total			\$ 2	\$ 1,003

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note D. Investments (Continued)**

	Year ended December 31, 2016			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Matu
	(In millions)			
Fixed maturity securities available for sale	\$ 4	\$ (16)	\$ (12)	\$ 624
Preferred stock available for sale	1		1	9
Equity securities available for sale	11	(1)	10	50
Investments in unconsolidated affiliates			(3)	
Other intangible assets			(1)	
Other assets			(3)	6
Total			\$ (8)	\$ 689

	Year ended December 31, 2015			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/Matu
	(In millions)			
Fixed maturity securities available for sale	\$ 14	\$ (17)	\$ (3)	\$ 1,076
Preferred stock available for sale	1		1	58
Equity securities available for sale	13	(11)	2	51
Other assets			11	
Total			\$ 11	\$ 1,185

Interest and investment income consist of the following:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Cash and cash equivalents	\$ 3	\$	\$
Fixed maturity securities available for sale	61	76	82
Equity securities and preferred stock available for sale	28	28	24
Short-term investments	4	2	
Other	35	20	15
Total	\$ 131	\$ 126	\$ 121

Explanation of Responses:

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note E. Property and Equipment**

Property and equipment consists of the following:

	Year ended December 31,	
	2017	2016
	(In millions)	
Land	\$ 22	\$ 23
Buildings	111	108
Leasehold improvements	92	89
Data processing equipment	156	159
Furniture, fixtures and equipment	224	225
	605	604
Accumulated depreciation and amortization	(412)	(412)
	\$ 193	\$ 192

Depreciation expense on property and equipment was \$48 million, \$45 million, and \$42 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Note F. Goodwill

Goodwill consists of the following:

	Title	Corporate and Other		Total
		(In millions)		
Balance, December 31, 2015	\$ 2,303	\$ 45	\$ 2,348	
Goodwill acquired during the year(1)	48	170	218	
Adjustments to prior year acquisitions	(6)	(5)	(11)	
Balance, December 31, 2016	\$ 2,345	\$ 210	\$ 2,555	
Goodwill acquired during the year(1)	84	104	188	
Adjustments to prior year acquisitions	3		3	
Balance, December 31, 2017	\$ 2,432	\$ 314	\$ 2,746	

(1) For further discussion of significant goodwill acquired, see Note B, "Acquisitions".

Note G. Discontinued Operations*Black Knight*

Explanation of Responses:

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As a result of the BK Distribution, we have reclassified the assets and liabilities divested as assets and liabilities of discontinued operations in our Consolidated Balance Sheet as of December 31, 2016. Further, the financial results of Black Knight have been reclassified to discontinued operations for all periods presented in our Consolidated Statements of Earnings. We retained no ownership in Black Knight.

We have various agreements with Black Knight to provide technology, data and analytics services, as well as corporate shared services and information technology. We are also a party to certain other

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note G. Discontinued Operations (Continued)**

agreements under which we incur other expenses or receive revenues from Black Knight. We expect to continue utilizing Black Knight to provide technology and data and analytics services for the foreseeable future. Subsequent to the BK Distribution, Black Knight is considered a related party for FNF. The cash inflows and outflows from and to Black Knight as well as revenues and expenses included in continuing operations subsequent to September 29, 2017, the date of the BK Distribution, which were previously eliminated in our consolidated financial statements as intra-entity transactions, are not material to our results of operations for the year ended December 31, 2017.

A summary of the operations of Black Knight included in discontinued operations is shown below:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Revenues			
Escrow, title-related and other fees	\$ 745	\$ 963	\$ 874
Realized gains and losses, net	(13)		(5)
Total revenues	732	963	869
Expenses			
Personnel costs	292	393	377
Other operating expenses	145	190	156
Depreciation and amortization	154	208	195
Interest expense	42	62	49
Total expenses	633	853	777
Earnings from discontinued operations before income taxes	99	110	92
Income tax expense	40	36	35
Net earnings from discontinued operations	59	74	57
Less: Net earnings attributable to non-controlling interests	36	47	28
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 23	\$ 27	\$ 29
Cash flow from discontinued operations data:			
Net cash provided by operations	\$ 240	\$ 326	\$ 248
Net cash used in investing activities	(46)	(230)	(103)

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note G. Discontinued Operations (Continued)**

A summary of the financial position of Black Knight included as assets and liabilities of discontinued operations is shown below:

	December 31, 2016 (In millions)
Cash and cash equivalents	\$ 130
Short term investments	4
Trade and notes receivable	157
Goodwill	2,304
Prepaid expenses and other assets	184
Capitalized software, net	450
Other intangible assets, net	359
Property and equipment, net	173
Total assets of discontinued operations	\$ 3,761
Accounts payable and accrued liabilities	\$ 287
Notes payable	1,526
Income taxes payable	26
Deferred tax liabilities	334
Total liabilities of discontinued operations	\$ 2,173

FNFV

As a result of the FNFV Split-Off we have reclassified the assets and liabilities divested as assets and liabilities of discontinued operations in our Consolidated Balance Sheet as of December 31, 2016. Further, the financial results of FNFV Group have been reclassified to discontinued operations for all periods presented in our Consolidated Statements of Earnings. Subsequent to the FNFV Split-Off, Cannae is considered a related party for FNF. The cash inflows and outflows from and to Cannae as well as revenues and expenses included in continuing operations subsequent to November 17, 2017, the date of the FNFV Split-Off, which were previously eliminated in our consolidated financial statements as intra-entity transactions, are not material to our results of operations for the year ended December 31, 2017.

In conjunction with the FNFV Split-Off, FNTIC, Chicago Title, and Commonwealth Title contributed an aggregate of \$100 million to Cannae in exchange for 5,706,134 shares of Cannae common stock. As of December 31, 2017, we own approximately 8.1% of Cannae's outstanding common equity. In addition we issued to Cannae a revolver note (the "Cannae Revolver") in the aggregate principal amount of up to \$100 million, which accrues interest at LIBOR plus 450 basis points and matures on the five-year anniversary of the date of the revolver note. The maturity date is automatically extended for additional five-year terms unless notice of non-renewal is otherwise provided by either FNF or Cannae, in their sole discretion. As of December 31, 2017, there is no outstanding balance under the Cannae Revolver.

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Notes to Consolidated Financial Statements (Continued)

Note G. Discontinued Operations (Continued)

In connection with the FNFV Split-Off, the following material agreements were entered into by and between the Company and Cannae (the "Split-Off Agreements"):

- (1) a Reorganization Agreement, dated as of November 17, 2017, by and between the Company and Cannae, which provides for, among other things, the principal corporate transactions required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between the Company and Cannae with respect to and resulting from the Split-Off;
- (2) a Tax Matters Agreement, dated as of November 17, 2017, by and between the Company and Cannae, which governs the Company's and Cannae's respective rights, responsibilities and obligations with respect to taxes and tax benefits, the filing of tax returns, the control of audits and other tax matters; and
- (3) a Voting Agreement, dated as of November 17, 2017, by and between the Company and Cannae, pursuant to which the Company agrees to appear or cause all shares of Cannae common stock that the Company or its subsidiaries, as applicable, own after the Split-Off to be counted as present at any meeting of the stockholders of Cannae, for the purpose of establishing a quorum, and agrees to vote all of such shares of Cannae common stock (or cause them to be voted) in the same manner as, and in the same proportion to, all shares voted by holders of Cannae common stock (other than the Company and its subsidiaries).

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note G. Discontinued Operations (Continued)**

A summary of the operations of FNFV included in discontinued operations is shown below:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Revenues:			
Escrow, title-related and other fees	\$ 111	\$ 168	\$ 204
Restaurant revenue	981	1,158	1,412
Interest and investment income	5	3	2
Realized gains and losses, net	277	6	(19)
Total revenues	1,374	1,335	1,599
Expenses:			
Personnel costs	148	165	158
Other operating expenses	94	106	167
Cost of restaurant revenue	861	984	1,195
Depreciation and amortization	51	63	65
Interest expense	9	10	8
Total expenses	1,163	1,328	1,593
Earnings from discontinued operations before income taxes	211	7	6
Income tax expense (expense)	103	(11)	(19)
Earnings from continuing operations before equity in (losses) earnings of unconsolidated affiliates	108	18	25
Equity in losses of unconsolidated affiliates	(12)	(22)	(22)
Net earnings (loss) from discontinued operations	96	(4)	3
Less: Net (losses) earnings attributable to non-controlling interests	(13)		16
Net earnings (loss) attributable to Fidelity National Financial, Inc. common shareholders	\$ 109	\$ (4)	\$ (13)
Cash flow from discontinued operations data:			
Net cash (used in) provided by operations	\$ (134)	\$ 81	\$ 29
Net cash (used in) provided by investing activities	(11)	67	166

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note G. Discontinued Operations (Continued)**

A summary of the financial position of FNFV included as assets and liabilities of discontinued operations is shown below:

	December 31, 2016	
	(In millions)	
Investments:		
Fixed maturities available for sale, at fair value	\$	25
Equity securities available for sale, at fair value		52
Investments in unconsolidated affiliates		407
Other long term investments		12
Short term investments		2
Total investments		498
Cash and cash equivalents		144
Trade and notes receivable		52
Goodwill		206
Prepaid expenses and other assets		33
Capitalized software, net		16
Deferred tax assets		58
Other intangible assets, net		200
Property and equipment, net		251
Total assets of discontinued operations	\$	1,458
Accounts payable and accrued liabilities	\$	214
Notes payable		233
Income taxes payable		18
Total liabilities of discontinued operations	\$	465

As a result of the reclassification of the assets and liabilities of FNFV to assets and liabilities of discontinued operations, the deferred tax assets of FNFV, which were formerly netted with our consolidated deferred tax liability in our Condensed Consolidated Balance Sheet as of December 31, 2016, were reclassified to assets of discontinued operations resulting in an increase to both our assets and liabilities of \$58 million as of December 31, 2016.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note G. Discontinued Operations (Continued)***Reconciliation to Consolidated Financial Statements*

A reconciliation of the net earnings of Black Knight and FNFV to the Statement of Operations is shown below:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Earnings from discontinued operations attributable to Black Knight	\$ 59	\$ 74	\$ 57
Earnings (loss) from discontinued operations attributable to FNFV	96	(4)	3
Total earnings from discontinued operations, net of tax	\$ 155	\$ 70	\$ 60

A reconciliation of the financial position of Black Knight and FNFV to the Balance Sheet is shown below:

	December 31, 2016	
	(In millions)	
Assets:		
Assets of discontinued operations attributable to Black Knight	\$	3,761
Assets of discontinued operations attributable to FNFV		1,458
Total assets of discontinued operations	\$	5,219
Liabilities:		
Liabilities of discontinued operations attributable to Black Knight	\$	2,173
Liabilities of discontinued operations attributable to FNFV		465
Total liabilities of discontinued operations	\$	2,638

Note H. Other Intangible Assets

Other intangible assets consist of the following:

	Year ended December 31,	
	2017	2016
	(In millions)	
Customer relationships and contracts	\$ 860	\$ 748
Trademarks and tradenames	81	74
Computer software	357	324
	1,298	1,146
Accumulated amortization	(680)	(561)

Explanation of Responses:

\$ 618 \$ 585

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note H. Other Intangible Assets (Continued)**

Amortization expense for amortizable intangible assets, which consist primarily of customer relationships and computer software, was \$130 million, \$110 million, and \$103 million for the years ended December 31, 2017, 2016 and 2015, respectively. Estimated amortization expense for the next five years for assets owned at December 31, 2017, is \$100 million in 2018, \$93 million in 2019, \$79 million in 2020, \$64 million in 2021 and \$50 million in 2022.

Note I. Accounts Payable and Other Accrued Liabilities

Accounts payable and other accrued liabilities consist of the following:

	Year ended December 31,	
	2017	2016
	(In millions)	
Accrued benefits	\$ 254	\$ 245
Salaries and incentives	277	267
Accrued rent	22	19
Trade accounts payable	39	42
Accrued recording fees and transfer taxes	17	16
Accrued premium taxes	20	26
Deferred revenue	107	103
Other accrued liabilities	219	215
	\$ 955	\$ 933

Note J. Notes Payable

Notes payable consists of the following:

	Year ended December 31,	
	2017	2016
	(In millions)	
Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022	\$ 397	\$ 397
Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018	65	291
Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017		300
Revolving Credit Facility, unsecured, unused portion of \$500 at December 31, 2017, due April 2022 with interest payable monthly at LIBOR + 1.40% (2.76% at December 31, 2017)	295	(3)
Other	2	2
	\$ 759	\$ 987

At December 31, 2017, the estimated fair value of our long-term debt was approximately \$940 million, or \$173 million higher than its carrying value, excluding \$8 million of net unamortized debt issuance costs and premium/discount. The fair value of our unsecured notes payable was \$638 million as of December 31, 2017. The fair values of our unsecured notes payable are based on

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note J. Notes Payable (Continued)**

established market prices for the securities on December 31, 2017 and are considered Level 2 financial liabilities. The carrying value of the Revolving Credit Facility approximates fair value at December 31, 2017, as it is a variable rate instrument with a short reset period (monthly) which reflects current market rates. The Revolving Credit Facility is considered a Level 2 financial liability.

On June 25, 2013, we entered into an agreement to amend and restate our existing \$800 million Second Amended and Restated Credit Agreement (the "Existing Credit Agreement"), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent") and the other agents party thereto (the "Revolving Credit Facility"). On April 27, 2017, the Revolving Credit Facility was amended (the "Restated Credit Agreement") to extend the term for 5 years, from a maturity date of July 15, 2018 to April 27, 2022. Revolving loans under the credit facility generally bear interest at a variable rate based on either (i) the base rate (which is the highest of (a) 0.5% in excess of the federal funds rate, (b) the Administrative Agent's "prime rate", or (c) the sum of 1% plus one-month LIBOR) plus a margin of between 10 and 60 basis points depending on the senior unsecured long-term debt ratings of FNF or (ii) LIBOR plus a margin of between 110 and 160 basis points depending on the senior unsecured long-term debt ratings of the Company. Based on our current Moody's and Standard & Poor's senior unsecured long-term debt ratings of Baa3/BBB, respectively, the applicable margin for revolving loans subject to LIBOR is 140 basis points. In addition, we pay a commitment fee of between 15 and 40 basis points on the entire facility, also depending on our senior unsecured long-term debt ratings. Under the Revolving Credit Facility, we are subject to customary affirmative, negative and financial covenants, including, among other things, limits on the creation of liens, limits on the incurrence of indebtedness, restrictions on investments, dispositions and transactions with affiliates, limitations on dividends and other restricted payments, a minimum net worth and a maximum debt to capitalization ratio. The Revolving Credit Facility also includes customary events of default for facilities of this type (with customary grace periods, as applicable) and provides that, if an event of default occurs and is continuing, the interest rate on all outstanding obligations may be increased, payments of all outstanding loans may be accelerated and/or the lenders' commitments may be terminated. These events of default include a cross-default provision that, subject to limited exceptions, permits the lenders to declare the Revolving Credit Facility in default if: (i) (a) we fail to make any payment after the applicable grace period under any indebtedness with a principal amount (including undrawn committed amounts) in excess of 3.0% of our net worth, as defined in the Revolving Credit Facility, or (b) we fail to perform any other term under any such indebtedness, or any other event occurs, as a result of which the holders thereof may cause it to become due and payable prior to its maturity; or (ii) certain termination events occur under significant interest rate, equity or other swap contracts. In addition, upon the occurrence of certain insolvency or bankruptcy related events of default, all amounts payable under the Revolving Credit Facility shall automatically become immediately due and payable, and the lenders' commitments will automatically terminate. As of December 31, 2017, there is \$295 million outstanding, net of \$5 million in unamortized debt issuance costs, and \$500 million of remaining borrowing capacity under the Revolving Credit Facility.

On August 28, 2012, we completed an offering of \$400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the Securities and Exchange Commission. The notes were priced at 99.513% of par to yield 5.564% annual interest. The 5.50% notes will pay interest semi-annually on the 1st of March and September, beginning March 1, 2013. These notes contain customary covenants and events of default for investment grade public debt. These events of default include a cross default provision,

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note J. Notes Payable (Continued)**

with respect to any other debt of the Company in an aggregate amount exceeding \$100 million for all such debt, arising from (i) failure to make a principal payment when due or (ii) the occurrence of an event which results in such debt being due and payable prior to its scheduled maturity.

On August 2, 2011, we completed an offering of \$300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The Notes contain customary event-of-default provisions which, subject to certain notice and cure-period conditions, can result in the acceleration of the principal amount of, and accrued interest on, all outstanding Notes if we breach the terms of the Notes or the indenture pursuant to which the Notes were issued. The Notes are unsecured and unsubordinated obligations and (i) rank senior in right of payment to any of our existing or future unsecured indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated; (iii) are effectively subordinated in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and (iv) are structurally subordinated to all existing and future indebtedness and liabilities of our subsidiaries. Interest is payable on the principal amount of the Notes, semi-annually in arrears in cash on February 15 and August 15 of each year, commencing February 15, 2012. The Notes mature on August 15, 2018, unless earlier purchased by us or converted. The Notes were issued for cash at 100% of their principal amount. However, for financial reporting purposes, the notes were deemed to have been issued at 92.818% of par value, and as such we recorded a discount of \$22 million to be amortized to August 2018, when the Notes mature. The Notes will be convertible into cash, shares of common stock, or a combination of cash and shares of common stock, at our election, based on an initial conversion rate, subject to adjustment, of 46.387 shares per \$1,000 principal amount of the Notes (which represents an initial conversion price of approximately \$21.56 per share), only in the following circumstances and to the following extent: (i) during any calendar quarter commencing after December 31, 2011, if, for each of at least 20 trading days (whether or not consecutive) during the 30 consecutive trading day period ending on, and including, the last trading day of the immediately preceding calendar quarter, the last reported sale price per share of our common stock on such trading day is greater than or equal to 130% of the applicable conversion price on such trading day; (ii) during the five consecutive business day period immediately following any ten consecutive trading day period (the "measurement period") in which, for each trading day of the measurement period, the trading price per \$1,000 principal amount of notes was less than 98% of the product of the last reported sale price per share of our common stock on such trading day and the applicable conversion rate on such trading day; (iii) upon the occurrence of specified corporate transactions; or (iv) at any time on and after May 15, 2018. However, in all cases, the Notes will cease to be convertible at the close of business on the second scheduled trading day immediately preceding the maturity date. It is our intent and policy to settle conversions through "net-share settlement". Generally, under "net-share settlement," the conversion value is settled in cash, up to the principal amount being converted, and the conversion value in excess of the principal amount is settled in shares of our common stock. As of October 1, 2013, these notes were convertible under the 130% Sale Price Condition described above. During the year ended December 31, 2017, we repurchased Notes with aggregate principal of \$230 million for \$549 million.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note J. Notes Payable (Continued)**

Gross principal maturities of notes payable at December 31, 2017 are as follows (in millions):

2018	\$ 66
2019	
2020	1
2021	
2022	700
Thereafter	
	\$ 767

Note K. Income Taxes

Income tax expense on continuing operations consists of the following:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Current	\$ 476	\$ 333	\$ 275
Deferred	(241)	14	(1)
	\$ 235	\$ 347	\$ 274

Total income tax expense (benefit) was allocated as follows (in millions):

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Net earnings from continuing operations	\$ 235	\$ 347	\$ 274
Tax expense attributable to net earnings from discontinued operations	144	25	16
Other comprehensive earnings (loss):			
Unrealized gain (loss) on investments and other financial instruments	25	29	(40)
Unrealized gain (loss) on foreign currency translation and cash flow hedging	4	1	(7)
Minimum pension liability adjustment	3	3	3
Total income tax expense (benefit) allocated to other comprehensive earnings	32	33	(44)
Additional paid-in capital, stock-based compensation			(21)
Total income taxes	\$ 411	\$ 405	\$ 225

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note K. Income Taxes (Continued)**

A reconciliation of the federal statutory rate to our effective tax rate is as follows:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Federal statutory rate	35.0%	35.0%	35.0%
State income taxes, net of federal benefit	1.8	2.8	3.0
Deductible dividends paid to FNF 401(k) plan	(0.2)	(0.1)	(0.2)
Tax exempt interest income	(0.4)	(0.5)	(0.8)
Stock compensation	(1.4)	(1.7)	
Tax Credits	(0.1)	(0.1)	(0.1)
Consolidated Partnerships		0.2	0.4
Tax reform	(10.7)		
Non-deductible expenses and other, net	3.2	0.8	(1.6)
Effective tax rate	27.2%	36.4%	35.7%

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note K. Income Taxes (Continued)**

The significant components of deferred tax assets and liabilities at December 31, 2017 and 2016 consist of the following:

	Year ended December 31,	
	2017	2016
	(In millions)	
Deferred Tax Assets:		
Employee benefit accruals	\$ 68	\$ 36
Net operating loss carryforwards	9	22
Insurance reserve discounting	26	
Accrued liabilities	10	18
Allowance for uncollectible accounts receivable	4	
Pension plan	2	5
Tax credits	40	41
State income taxes	4	13
Other	1	3
Total gross deferred tax asset	164	138
Less: valuation allowance	22	10
Total deferred tax asset	\$ 142	\$ 128
Deferred Tax Liabilities:		
Title plant	\$ (55)	\$ (85)
Amortization of goodwill and intangible assets	(113)	(174)
Other investments	(5)	(4)
Other	(13)	(11)
Investment securities	(41)	(39)
Depreciation	(9)	(12)
Partnerships	(75)	(94)
Insurance reserve discounting		(79)
Total deferred tax liability	\$ (311)	\$ (498)
Net deferred tax liability	\$ (169)	\$ (370)

Our net deferred tax liability was \$169 million and \$370 million at December 31, 2017, and 2016, respectively. Deferred tax liability incurred a one-time reduction of \$93 million which was primarily a result of the decrease in the corporate tax rate from 35% to 21% associated with the enactment of the Tax Cuts and Jobs Act of 2017 ("Tax Reform"). The significant changes in the deferred taxes are as follows: The increase in the deferred tax asset for employee benefit accruals is a \$71 million increase in deferred compensation related to a change in accounting method offset by a \$38 million decrease driven by Tax Reform. The deferred tax liability for insurance reserve discounting decreased by \$119 million largely due to the redomestication of certain of our insurance underwriters in 2017, offset by an increase of \$15 million attributable to Tax Reform. The deferred tax liability for title plant decreased by \$30 million primarily due to Tax Reform. The deferred tax liability relating to partnerships decreased by \$19 million primarily due to an increase of \$23 million related to ServiceLink activity offset by a \$42 million decrease driven by Tax Reform. The deferred tax liability on amortization decreased by \$61 million primarily due to Tax Reform. The decrease in the deferred tax

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Notes to Consolidated Financial Statements (Continued)

Note K. Income Taxes (Continued)

asset on net operating losses of \$13 million is primarily attributable to usage of assets in the current year and Tax Reform.

We had a valuation allowance of \$22 million and \$10 million at December 31, 2017 and 2016, respectively. The increase in the valuation allowance is primarily attributable to Tax Reform which decreased the ability to use credit carryovers before they expire in future years.

SEC Staff Accounting Bulletin No. 118 ("SAB 118"), has provided guidance for companies that have not completed their accounting for the income tax effects of the Tax Reform in the period of enactment, allowing for a measurement period of up to one year after the enactment date to finalize the recording of the related tax impacts. As of December 31, 2017, we have not completed our accounting for the tax effects of the enactment of the Tax Reform, however, we have made a reasonable estimate of the effects on our deferred tax balances. In other cases, we have not been able to make a reasonable estimate and will continue to analyze the Tax Reform in order to finalize any related impacts within the measurement period.

At December 31, 2017, we have net operating losses on a pretax basis of \$36 million available to carryforward and offset future federal taxable income. The net operating losses are US federal net operating losses arising from acquisitions made since 2008, including CINC and are subject to an annual Internal Revenue Code Section 382 limitation. These losses will begin to expire in year 2021 and we fully anticipate utilizing these losses prior to expiration with the exception of \$3 million of gross net operating losses that are offset by a \$1 million valuation allowance.

At December 31, 2017 and 2016, we had \$40 million and \$41 million of tax credits, respectively. The credits primarily consist of general business credits from acquisitions in the Restaurant Group. We anticipate that these credits will be utilized prior to expiration after a valuation allowance of \$21 million on the general business credits.

A tax benefit of \$21 million associated with the exercise of employee stock options and the vesting of restricted stock grants was allocated to equity for the year ended December 31, 2015. For the years ended December 31, 2017 and 2016 we have recorded \$13 million and \$17 million in income tax benefit related to the tax effects associated with the exercise of stock options and vesting of restricted stock. Our adoption of ASU 2016-09 in 2016 resulted in a change in accounting for the tax-effects of stock-based compensation. Beginning January 1, 2016, the tax-effect of the difference in grant date and vest date fair value of stock-based compensation is included in total income tax expense (benefit).

As of December 31, 2017 and 2016, we had approximately \$11 million (including interest of less than \$1 million) and \$18 million (including interest of less than \$1 million), respectively, of total gross unrecognized tax benefits that, if recognized, would favorably affect our income tax rate. These amounts are reported on a gross basis and do not reflect a federal tax benefit on state income taxes. We record interest and penalties related to income taxes as a component of income tax expense.

The Internal Revenue Service ("IRS") has selected us to participate in the Compliance Assurance Program that is a real-time audit. We are currently under audit by the Internal Revenue Service for the 2016 through 2018 tax years. We file income tax returns in various foreign and US state jurisdictions.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note L. Summary of Reserve for Claim Losses**

A summary of the reserve for claim losses follows:

	Year ended December 31,		
	2017	2016	2015
	(In millions)		
Beginning balance	\$ 1,487	\$ 1,583	\$ 1,621
Change in reinsurance recoverable	(4)	(8)	1
Claim loss provision related to:			
Current year	219	236	224
Prior years	19	(79)	22
Total title claim loss provision	238	157	246
Claims paid, net of recoupments related to:			
Current year	(8)	(10)	(7)
Prior years	(223)	(235)	(278)
Total title claims paid, net of recoupments	(231)	(245)	(285)
Ending balance of claim loss reserve for title insurance	\$ 1,490	\$ 1,487	\$ 1,583
Provision for title insurance claim losses as a percentage of title insurance premiums	4.9%	3.3%	5.7%

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are paid, significantly varying dollar amounts of individual claims and other factors.

In the quarter ended December 31, 2017, we reduced the current quarter provision for claims losses to 4.5%. During the quarter ended December 31, 2016, we released excess title reserves of \$97 million in addition to reducing the provision for claims losses for the quarter to 5.0%. In response to favorable development on recent year claims, the average provision rate has decreased in each of the years ended 2015, 2016, and 2017.

Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. If actual claims loss development varies from what is currently expected and is not offset by other factors, it is possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve adjustments in future periods.

Note M. Commitments and Contingencies*Legal and Regulatory Contingencies*

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our operations, some of which include claims for punitive or exemplary damages. With respect to our title insurance operations, this customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our operations. We believe that no actions, other than the matters discussed below, if any, depart from

customary litigation incidental to our business.

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Notes to Consolidated Financial Statements (Continued)

Note M. Commitments and Contingencies (Continued)

We review lawsuits and other legal and regulatory matters (collectively "legal proceedings") on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings in which it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Our accrual for legal and regulatory matters was \$2 million and \$68 million as of December 31, 2017 and 2016, respectively. During the quarter ended March 31, 2017, ServiceLink paid \$65 million to settle all remaining obligations to complete the document execution review under the 2011 LPS consent order with certain banking agencies. Details of the consent order and the terms of the settlement are set forth in Note M Commitments and Contingencies to our Consolidated Financial Statements in our Annual Report for the year ended December 31, 2016. On January 12, 2018, the banking agencies entered an Order terminating the 2011 LPS consent order, having found ServiceLink attained full compliance. None of the amounts we have currently recorded are considered to be material to our financial condition individually or in the aggregate. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending legal proceedings is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

Escrow Balances

In conducting our operations, we routinely hold customers' assets in escrow, pending completion of real estate transactions, and are responsible for the proper disposition of these balances for our customers. Certain of these amounts are maintained in segregated bank accounts and have not been included in the accompanying Consolidated Balance Sheets, consistent with Generally Accepted Accounting Principles and industry practice. These balances amounted to \$15.4 billion at December 31, 2017. As a result of holding these customers' assets in escrow, we have ongoing programs for realizing economic benefits during the year through favorable borrowing and vendor arrangements with various banks. There were no investments or loans outstanding as of December 31, 2017 and 2016 related to these arrangements.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note M. Commitments and Contingencies (Continued)***Operating Leases*

Future minimum operating lease payments are as follows (in millions):

2018	\$ 150
2019	127
2020	98
2021	71
2022	46
Thereafter	44
Total future minimum operating lease payments	\$ 536

Rent expense incurred under operating leases during the years ended December 31, 2017, 2016 and 2015 was \$144 million, \$128 million, and \$122 million, respectively. Rent expense in 2017, 2016, and 2015 includes abandoned lease charges related to office closures of \$1 million.

Note N. Regulation and Equity*Regulation*

Our insurance subsidiaries, including title insurers, underwritten title companies and insurance agencies, are subject to extensive regulation under applicable state laws. Each of the insurance underwriters is subject to a holding company act in its state of domicile which regulates, among other matters, the ability to pay dividends and enter into transactions with affiliates. The laws of most states in which we transact business establish supervisory agencies with broad administrative powers relating to issuing and revoking licenses to transact business, regulating trade practices, licensing agents, approving policy forms, accounting practices, financial practices, establishing reserve and capital and surplus as regards policyholders ("capital and surplus") requirements, defining suitable investments for reserves and capital and surplus and approving rate schedules. The process of state regulation of changes in rates ranges from states which set rates, to states where individual companies or associations of companies prepare rate filings which are submitted for approval, to a few states in which rate changes do not need to be filed for approval.

Since we are regulated by both state and federal governments and the applicable insurance laws and regulations are constantly subject to change, it is not possible to predict the potential effects on our insurance operations, particularly the Title segment, of any laws or regulations that may become more restrictive in the future or if new restrictive laws will be enacted.

Pursuant to statutory accounting requirements of the various states in which our insurers are domiciled, these insurers must defer a portion of premiums earned as an unearned premium reserve for the protection of policyholders and must maintain qualified assets in an amount equal to the statutory requirements. The level of unearned premium reserve required to be maintained at any time is determined by statutory formula based upon either the age, number of policies and dollar amount of policy liabilities underwritten, or the age and dollar amount of statutory premiums written. As of December 31, 2017, the combined statutory unearned premium reserve required and reported for our title insurers was \$1,400 million. In addition to statutory unearned premium reserves, each of our insurers maintains reserves for known claims and surplus funds for policyholder protection and business operations.

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Notes to Consolidated Financial Statements (Continued)

Note N. Regulation and Equity (Continued)

Each of our insurance subsidiaries is regulated by the insurance regulatory authority in its respective state of domicile, as well as that of each state in which it is licensed. The insurance commissioners of their respective states of domicile are the primary regulators of our title insurance subsidiaries. Each of the insurers is subject to periodic regulatory financial examination by regulatory authorities.

Our insurance subsidiaries are subject to regulations that restrict their ability to pay dividends or make other distributions of cash or property to their immediate parent company without prior approval from the Department of Insurance of their respective states of domicile. As of December 31, 2017, \$1,700 million of our net assets are restricted from dividend payments without prior approval from the Departments of Insurance. During 2018, our title insurers can pay or make distributions to us of approximately \$363 million, without prior approval.

The combined statutory capital and surplus of our title insurers was approximately \$1,389 million and \$1,469 million as of December 31, 2017 and 2016, respectively. The combined statutory net earnings of our title insurance subsidiaries were \$434 million, \$541 million, and \$381 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Statutory-basis financial statements are prepared in accordance with accounting practices prescribed or permitted by the various state insurance regulatory authorities. The National Association of Insurance Commissioners' ("NAIC") *Accounting Practices and Procedures* manual ("NAIC SAP") has been adopted as a component of prescribed or permitted practices by each of the states that regulate us. Each of our states of domicile for our title insurance underwriter subsidiaries have adopted a material prescribed accounting practice that differs from that found in NAIC SAP. Specifically, in both years the timing of amounts released from the statutory unearned premium reserve under NAIC SAP differs from the states' required practice. Statutory surplus at December 31, 2017 and 2016, respectively, was lower by approximately \$28 million and \$207 million than if we had reported such amounts in accordance with NAIC SAP. The decrease at December 31, 2017 from 2016 is primarily attributable to the Redomestication.

As a condition to continued authority to underwrite policies in the states in which our insurers conduct their business, the insurers are required to pay certain fees and file information regarding their officers, directors and financial condition. In addition, our escrow and trust business is subject to regulation by various state banking authorities.

Pursuant to statutory requirements of the various states in which our insurers are domiciled, such insurers must maintain certain levels of minimum capital and surplus. Required levels of minimum capital and surplus are not significant to the insurers individually or in the aggregate. Each of our insurers has complied with the minimum statutory requirements as of December 31, 2017.

Our underwritten title companies are also subject to certain regulation by insurance regulatory or banking authorities, primarily relating to minimum net worth. Minimum net worth requirements for each underwritten title company is less than \$1 million. These companies were in compliance with their respective minimum net worth requirements at December 31, 2017.

There are no restrictions on our retained earnings regarding our ability to pay dividends to shareholders although there are limits on the ability of certain subsidiaries to pay dividends to us, as described above.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note N. Regulation and Equity (Continued)***Equity*

On July 20, 2015, our Board of Directors approved a three-year stock repurchase program under which we can purchase up to 25 million shares of our FNF Group common stock through July 30, 2018. We may make repurchases from time to time in the open market, in block purchases or in privately negotiated transactions, depending on market conditions and other factors. Since the original commencement of the plan, we have repurchased a total of 10,589,000 FNF common shares for \$372 million, or an average of \$35.10 per share, and there are 14,411,000 shares available to be repurchased under this program.

Note O. Employee Benefit Plans*Stock Purchase Plan*

During the three-year period ended December 31, 2017, our eligible employees could voluntarily participate in employee stock purchase plans ("ESPPs") sponsored by us and our subsidiaries. Pursuant to the ESPPs, employees may contribute an amount between 3% and 15% of their base salary and certain commissions. We contribute varying amounts as specified in the ESPPs.

We contributed \$23 million, \$20 million, and \$18 million to the ESPPs in the years ended December 31, 2017, 2016, and 2015, respectively, in accordance with the employer's matching contribution.

401(k) Profit Sharing Plan

During the three-year period ended December 31, 2017, we have offered our employees the opportunity to participate in our 401(k) profit sharing plans (the "401(k) Plan"), qualified voluntary contributory savings plans which are available to substantially all of our employees. Eligible employees may contribute up to 40% of their pretax annual compensation, up to the amount allowed pursuant to the Internal Revenue Code. We make an employer match on the 401(k) Plan of \$0.375 on each \$1.00 contributed up to the first 6% of eligible earnings contributed to the 401(k) Plan by employees. The employer match for the years ended December 31, 2017, 2016 and 2015 was \$26 million, \$26 million and \$23 million, respectively, that was credited based on the participant's individual investment elections in the FNF 401(k) Plan.

Omnibus Incentive Plan

In 2005, we established the FNT 2005 Omnibus Incentive Plan (the "Omnibus Plan") authorizing the issuance of up to 8 million shares of common stock, subject to the terms of the Omnibus Plan. On October 23, 2006; May 29, 2008; May 25, 2011; May 22, 2013; and June 15, 2016 the shareholders of FNF approved amendments to increase the number of shares for issuance under the Omnibus Plan by 16 million, 11 million, 6 million, 6 million and 10 million shares, respectively. The primary purpose of the increases were to assure that we had adequate means to provide equity incentive compensation to our employees on a going-forward basis. The Omnibus Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units and performance shares, performance units, other cash and stock-based awards and dividend equivalents. As of December 31, 2017, there were 1,839,061 shares of restricted stock and 8,529,427 stock options outstanding under this plan. Awards granted are approved by the Compensation Committee of the Board of Directors. Options vest over a 3 year period and have a contractual life of 7 years. The exercise price for options granted

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note O. Employee Benefit Plans (Continued)**

equals the market price of the underlying stock on the grant date. Stock option grants vest according to certain time based and operating performance criteria. Option exercises by participants are settled on the open market.

FNF stock option transactions under the Omnibus Plan for 2015, 2016, and 2017 are as follows:

	Options	Weighted Average Exercise Price	Exercisable
Balance, December 31, 2014	\$ 9,393,211	\$ 19.43	5,173,802
Granted	1,886,320	34.84	
Exercised	(1,966,937)	12.96	
Canceled	(12,085)	26.62	
Balance, December 31, 2015	9,300,509	\$ 23.92	5,256,426
Granted	35,000	35.63	
Exercised	(1,846,153)	10.12	
Canceled	(7,673)	26.17	
Balance, December 31, 2016	7,481,683	\$ 27.38	5,821,592
Options issued as make-whole adjustment for BK Distribution	2,375,111	20.32	
Exercised	(1,313,061)	18.38	
Canceled	(14,306)	24.49	
Balance, December 31, 2017	\$ 8,529,427	\$ 20.38	7,648,837

FNF restricted stock transactions under the Omnibus Plan in 2015, 2016, and 2017 are as follows:

	Shares	Weighted Average Grant Date Fair Value
Balance, December 31, 2014	1,770,781	\$ 25.08
Granted	613,960	34.84
Canceled	(10,105)	26.14
Vested	(982,762)	23.00
Balance, December 31, 2015	1,391,874	\$ 30.85
Granted	803,292	34.54
Canceled	(3,266)	28.07
Vested	(720,227)	28.97
Balance, December 31, 2016	1,471,673	\$ 33.79
Granted	828,818	37.12
Restricted stock issued as make-whole adjustment for BK Distribution	545,676	24.62
Canceled	(11,233)	24.52
Vested	(995,873)	23.98
Balance, December 31, 2017	1,839,061	\$ 30.58

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note O. Employee Benefit Plans (Continued)**

The following table summarizes information related to stock options outstanding and exercisable as of December 31, 2017:

	Options Outstanding				Options Exercisable			
	Number of Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Intrinsic Value	Number of Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Intrinsic Value
\$0.00 - \$14.38	662,763	1.85	\$ 14.38	\$ 16	662,763	1.85	\$ 14.38	\$ 16
\$14.39 - \$17.76	4,070,183	2.89	17.76	87	4,070,183	2.89	17.76	87
\$17.77 - \$21.84	1,342,007	3.84	21.84	23	1,342,007	3.84	21.84	23
\$21.85 - \$25.34	13,648	5.98	25.34		4,549	5.98	25.34	
\$25.35 - \$25.53	2,422,627	4.83	25.53	33	1,569,335	4.83	25.53	22
\$25.54 - \$26.99	18,199	5.55	26.99			0		
	8,529,427			\$ 159	7,648,837			\$ 148

We account for stock-based compensation plans in accordance with GAAP on share-based payments, which requires that compensation cost relating to share-based payments be recognized in the consolidated financial statements based on the fair value of each award. Using the fair value method of accounting, compensation cost is measured based on the fair value of the award at the grant date and recognized over the service period. Fair value of restricted stock awards and units is based on the grant date value of the underlying stock derived from quoted market prices. The total fair value of restricted stock awards granted in the years ended December 31, 2017, 2016 and 2015 was \$31 million, \$29 million, and \$21 million, respectively. The total fair value of restricted stock awards which vested in the years ended December 31, 2017, 2016 and 2015 was \$38 million, \$25 million, and \$35 million, respectively. Option awards are measured at fair value on the grant date using the Black Scholes Option Pricing Model. The intrinsic value of options exercised in the years ended December 31, 2017, 2016 and 2015 was \$25 million, \$46 million, and \$47 million, respectively. Net earnings attributable to FNF Shareholders reflects stock-based compensation expense amounts of \$44 million for the year ended December 31, 2017, \$58 million for the year ended December 31, 2016, and \$56 million for the year ended December 31, 2015, which are included in personnel costs in the reported financial results of each period.

At December 31, 2017, the total unrecognized compensation cost related to non-vested stock option grants and restricted stock grants is \$56 million, which is expected to be recognized in pre-tax income over a weighted average period of 1.65 years.

Pension Plans

In 2000, FNF merged with Chicago Title Corporation ("Chicago Title"). In connection with the merger, we assumed Chicago Title's noncontributory defined contribution plan and noncontributory defined benefit pension plan (the "Pension Plan"). The Pension Plan covers certain Chicago Title employees. The benefits are based on years of service and the employee's average monthly compensation in the highest 60 consecutive calendar months during the 120 months ending at retirement or termination. Effective December 31, 2000, the Pension Plan was frozen and there will be no future credit given for years of service or changes in salary. The accumulated benefit obligation is the same as the projected benefit obligation due to the pension plan being frozen as of December 31,

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Notes to Consolidated Financial Statements (Continued)

Note O. Employee Benefit Plans (Continued)

2000. Pursuant to GAAP on employers' accounting for defined benefit pension and other post retirement plans, the measurement date is December 31.

The net pension liability included in Accounts payable and other accrued liabilities as of December 31, 2017, and 2016 was \$4 million and \$11 million, respectively. The discount rate used to determine the benefit obligation as of the years ended December 31, 2017 and 2016 was 3.34% and 3.54%, respectively. As of the years ended December 31, 2017 and 2016 the projected benefit obligation was \$166 million and \$168 million, respectively, and the fair value of plan assets was \$162 million and \$157 million, respectively. The net periodic expense included in the results of operations relating to these plans was \$5 million, \$6 million, and \$8 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Postretirement and Other Nonqualified Employee Benefit Plans

We assumed certain health care and life insurance benefits for retired Chicago Title employees in connection with the FNF merger with Chicago Title. Beginning on January 1, 2001, these benefits were offered to all employees who met specific eligibility requirements. Additionally, in connection with the acquisition of LandAmerica Financial Group's two principal title insurance underwriters, Commonwealth Land Title Insurance Company and Lawyers Title Insurance Corporation, as well as United Capital Title Insurance Company (collectively, the "LFG Underwriters"), we assumed certain of the LFG Underwriters' nonqualified benefit plans, which provide various postretirement benefits to certain executives and retirees. The costs of these benefit plans are accrued during the periods the employees render service. We are both self-insured and fully insured for postretirement health care and life insurance benefit plans, and the plans are not funded. The health care plans provide for insurance benefits after retirement and are generally contributory, with contributions adjusted annually. Postretirement life insurance benefits are primarily contributory, with coverage amounts declining with increases in a retiree's age. The aggregate benefit obligation for these plans was \$13 million at December 31, 2017 and \$14 million at December 31, 2016. The net costs relating to these plans were immaterial for the years ended December 31, 2017, 2016, and 2015.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note P. Supplementary Cash Flow Information**

The following supplemental cash flow information is provided with respect to interest and tax payments, as well as certain non-cash investing and financing activities.

	Year ended December 31,		
	2017	2016	2015
(In millions)			
Cash paid during the year:			
Interest	\$ 102	\$ 125	\$ 124
Income taxes	528	367	250
Non-cash investing and financing activities:			
Investing activities:			
Change in proceeds of sales of investments available for sale receivable in period	\$ 3	\$ 7	\$ (25)
Change in purchases of investments available for sale payable in period	(9)	19	(2)
Financing activities:			
Liabilities assumed in connection with acquisitions(1):			
Fair value of net assets acquired	\$ 595	\$ 625	\$ 155
Less: Total purchase price	481	557	111
Liabilities and noncontrolling interests assumed	\$ 114	\$ 68	\$ 44
Change in treasury stock purchases payable in period	\$	\$ 8	\$ (7)

(1) For further discussion of assets and liabilities acquired in business combinations in the current year, see Note B, "Acquisitions".

Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk*Title*

In the normal course of business we and certain of our subsidiaries enter into off-balance sheet credit arrangements associated with certain aspects of the title insurance business and other activities.

We generate a significant amount of title insurance premiums in California, Texas, Florida and New York. Title insurance premiums as a percentage of the total title insurance premiums written from those four states are detailed as follows:

	2017	2016	2015
California	14.5%	14.6%	15.1%
Texas	14.2%	14.2%	14.4%
Florida	8.0%	7.7%	8.1%
New York	6.3%	7.1%	8.1%

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, short-term investments, and trade receivables.

We place cash equivalents and short-term investments with high credit quality financial institutions and, by policy, limit the amount of credit exposure with any one financial institution. Investments in

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note Q. Financial Instruments with Off-Balance Sheet Risk and Concentration of Risk (Continued)**

commercial paper of industrial firms and financial institutions are rated investment grade by nationally recognized rating agencies.

Concentrations of credit risk with respect to trade receivables are limited because a large number of geographically diverse customers make up our customer base, thus spreading the trade receivables credit risk. We control credit risk through monitoring procedures.

Note R. Segment Information

On September 29, 2017, we completed the BK Distribution. As a result, Black Knight is no longer a reportable segment and the historical results of Black Knight are presented as discontinued operations for all periods presented and are excluded from the following tables. Refer to Note G *Discontinued Operations* for further discussion of the results of Black Knight.

On November 17, 2017, we completed the FNFV Split-off. As a result, FNFV is no longer a reportable segment and the historical results of FNFV are presented as discontinued operations for all periods presented and are excluded from the following tables. Refer to Note G *Discontinued Operations* for further discussion of the results of FNFV.

Summarized financial information concerning our reportable segments is shown in the following tables. There are certain intercompany corporate related arrangements between our various businesses. The effects of these arrangements including intercompany notes and related interest and any other non-operational intercompany revenues and expenses have been eliminated in the segment presentations below.

As of and for the year ended December 31, 2017:

	Title	Corporate and Other (In millions)	Total FNF
Title premiums	\$ 4,893	\$	\$ 4,893
Other revenues	2,181	456	2,637
Revenues from external customers	7,074	456	7,530
Interest and investment income (loss), including realized gains and losses	137	(4)	133
Total revenues	7,211	452	7,663
Depreciation and amortization	159	24	183
Interest expense		48	48
Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates	955	(91)	864
Income tax expense (benefit)	274	(39)	235
Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates	681	(52)	629
Equity in earnings of unconsolidated affiliates	10		10
Earnings (loss) from continuing operations	\$ 691	\$ (52)	\$ 639
Assets	\$ 8,405	\$ 746	\$ 9,151
Goodwill	2,432	314	2,746

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Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note R. Segment Information (Continued)**

As of and for the year ended December 31, 2016:

	Title	Corporate and Other (In millions)	Total FNF
Title premiums	\$ 4,723	\$	\$ 4,723
Other revenues	2,128	288	2,416
Revenues from external customers	6,851	288	7,139
Interest and investment income (loss), including realized gains and losses	127	(9)	118
Total revenues	6,978	279	7,257
Depreciation and amortization	148	12	160
Interest expense		64	64
Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates	1,025	(70)	955
Income tax expense (benefit)	386	(39)	347
Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates	639	(31)	608
Equity in earnings of unconsolidated affiliates	13	1	14
Earnings (loss) from continuing operations	\$ 652	\$ (30)	\$ 622
Assets	\$ 8,756	\$ 5,765	\$ 14,521
Goodwill	2,345	210	2,555

As of and for the year ended December 31, 2015:

	Title	Corporate and Other (In millions)	Total FNF
Title premiums	\$ 4,286	\$	\$ 4,286
Other revenues	2,005	241	2,246
Revenues from external customers	6,291	241	6,532
Interest and investment income (loss), including realized gains and losses	137	(5)	132
Total revenues	6,428	236	6,664
Depreciation and amortization	144	6	150
Interest expense		73	73
Earnings (loss) from continuing operations, before income taxes and equity in earnings (loss) of unconsolidated affiliates	836	(66)	770
Income tax expense (benefit)	305	(31)	274
Earnings (loss) from continuing operations, before equity in earnings (loss) of unconsolidated affiliates	531	(35)	496
Equity in earnings (loss) of unconsolidated affiliates	6	(1)	5
Earnings (loss) from continuing operations	\$ 537	\$ (36)	\$ 501

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Assets	\$	8,533	\$	5,510	\$	14,043
Goodwill		2,303		45		2,348

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Notes to Consolidated Financial Statements (Continued)

Note R. Segment Information (Continued)

The activities in our segments include the following:

Title. This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title-related services including trust activities, trustee sales guarantees, recordings and reconveyances, and home warranty products. This segment also includes our transaction services business, which includes other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.

Corporate and Other. This segment consists of the operations of the parent holding company, our various real estate brokerage businesses, and CINC and other real estate technology subsidiaries. This segment also includes certain other unallocated corporate overhead expenses and eliminations of revenues and expenses between it and our Title segment. This segment also includes the assets of discontinued operations, Black Knight and FNFV, as of December 31, 2016 and 2015. Refer to Note G. *Discontinued Operations* for further information.

Note S. Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU provides a new comprehensive revenue recognition model that requires companies to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update permits the use of either the retrospective or cumulative effect transition method. ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations* was issued by FASB in March 2016 to clarify the principal versus agent considerations within ASU 2014-09. ASU 2016-10 *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* was issued by the FASB in April 2016 to clarify how to determine whether goods and services are separately identifiable and thus accounted for as separate performance obligations. ASU 2016-12 *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* was issued by the FASB in May 2016 to clarify certain terms from the aforementioned updates and to add practical expedients for contracts at various stages of completion. ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, was issued by the FASB in December 2016 which includes thirteen technical corrections and improvements affecting narrow aspects of the guidance issued in ASU 2014-09.

We have completed our analysis of the impact of the standards and have concluded that these standards will not have a material impact on our accounting or reporting.

Upon issuance of ASU 2015-14, the effective date of ASU 2014-09 was deferred to annual and interim periods beginning on or after December 15, 2017. We will adopt the guidance on January 1, 2018. Either of the following transition methods is permitted: (i) a full retrospective approach reflecting the application of the new standard in each prior reporting period, or (ii) a modified retrospective approach with a cumulative-effect adjustment to the opening balance of retained earnings in the year the new standard is first applied. We plan to transition to this new guidance using the modified retrospective approach.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note S. Recent Accounting Pronouncements (Continued)***Other Pronouncements*

In January 2016, the FASB issued ASU No. 2016-01 *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The primary amendments required by the ASU include: requiring equity investments with readily determinable fair values to be measured at fair value through net income rather than through other comprehensive income; allowing entities with equity investments without readily determinable fair values to report the investments at cost, adjusted for changes in observable prices, less impairment; requiring entities that elect the fair value option for financial liabilities to report the change in fair value attributable to instrument-specific credit risk in other comprehensive income; and clarifying that entities should assess the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with other deferred tax assets. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The ASU requires a cumulative-effect adjustment of the balance sheet as of the beginning of the year of adoption. Early adoption of the ASU is not permitted, except for the provision related to financial liabilities for which the fair value option has been elected. We have completed our evaluation of the effects this new guidance will have on our consolidated financial statements and related disclosures and have determined that the ASU will result in: (1) reclassification of our unrealized gains and losses on our equity and preferred securities available for sale currently included in accumulated other comprehensive income to beginning retained earnings as of January 1, 2018 and (2) changes in fair value of our equity and preferred securities available for sale subsequent to January 1, 2018 to be included in our earnings from continuing operations. As of December 31, 2017, we held equity and preferred securities available for sale with combined net unrealized gains (net of losses) of \$164 million and \$12 million, respectively. Including the associated effects of deferred taxes, based on the net of tax balances as of December 31, 2017, we expect to reclassify a total of approximately \$109 million from Accumulated other comprehensive income to beginning Retained earnings as of January 1, 2018.

In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. The amendments in this ASU introduce broad changes to the accounting and reporting for leases by lessees. The main provisions of the new standard include: clarifications to the definitions of a lease, components of leases, and criteria for determining lease classification; requiring virtually all leased assets, including operating leases and related liabilities, to be reflected on the lessee's balance sheet; and expanding and adding to the required disclosures for lessees. This update is effective for annual and interim periods beginning after December 15, 2018, including interim periods within those fiscal years. Early application of the standard is permitted. The ASU requires a modified retrospective approach to transitioning which allows for the use of practical expedients to effectively account for leases commenced prior to the effective date in accordance with previous GAAP, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. We are still evaluating the totality of the effects this new guidance will have on our business process and systems, consolidated financial statements, related disclosures. We have identified a vendor with software suited to track and account for leases under the new standard. We have not concluded on the anticipated financial statement effects of adoption. We plan to adopt this standard on January 1, 2019. We are currently evaluating the impact of the adoption of this standard on our consolidated financial statements.

Table of Contents**Notes to Consolidated Financial Statements (Continued)****Note S. Recent Accounting Pronouncements (Continued)**

In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU introduce broad changes to accounting for credit impairment of financial instruments. The primary updates include the introduction of a new current expected credit loss ("CECL") model that is based on expected rather than incurred losses and amendments to the accounting for impairment of debt securities available for sale. This update is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects. We do not plan to early adopt the standard.

In August 2016, the FASB issued ASU No. 2016-15 *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. The amendments in this ASU introduce clarifications to the presentation of certain cash receipts and cash payments in the statement of cash flows. The primary updates include additions and clarifications of the classification of cash flows related to certain debt repayment activities, contingent consideration payments related to business combinations, proceeds from insurance policies, distributions from equity method investees, and cash flows related to securitized receivables. This update is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption of this ASU is permitted, including in interim periods. The ASU requires retrospective application to all prior periods presented upon adoption. We will adopt this ASU on January 1, 2018 and based on our preliminary analysis, we do not expect the adoption of this ASU to have a material impact on our resulting operating, investing, or financing cash flows.

In November 2016, the FASB issued ASU No. 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this ASU require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. GAAP previously did not include specific guidance on the cash flow classification and presentation of changes in restricted cash. The Company previously excluded cash pledged related to secured trust deposits, which generally meets the definition of restricted cash, from the reconciliation of beginning-of-period to end-of-period total amounts shown on the statement of cash flows. This update is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption of this ASU is permitted, including in interim periods. The ASU requires retrospective application to all prior periods presented upon adoption. This ASU resulted in the movement of the change in our cash pledged against secured trust deposits from operating activities to the net change in cash, the change in investments pledged against secured trust deposits from operating to investing activities, and the change in secured trust deposits from operating to financing activities.

We adopted this ASU on January 1, 2018 and have retrospectively restated our Consolidated Statements of Cash Flows included herein. The adoption of this ASU resulted in the following retrospective changes to our Consolidated Statements of Cash Flows for the years ended December 31, 2017, 2016 and 2015, respectively: an increase (decrease) in the net change in cash and cash equivalents of \$144 million, \$223 million, and \$(29) million, respectively, due to the inclusion of the change in our cash pledged against secured trust deposits; an increase (decrease) in cash provided by (used in) investing activities of \$174 million, \$63 million, and \$(110) million, respectively, related to the movement of cash paid/received for investments pledged against secured trust deposits from operating to investing activities; and a (decrease) increase in cash used in financing activities of \$(30) million,

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Notes to Consolidated Financial Statements (Continued)

Note S. Recent Accounting Pronouncements (Continued)

\$160 million, and \$79 million, respectively, related to the movement of the change in secured trust deposits from operating to financing activities. The adoption of this ASU also resulted in a \$2 million increase in cash provided by operating activities for the year ended December 31, 2015 due to the net effect of the aforementioned changes.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business* to assist companies with evaluating whether transactions should be accounted for as acquisitions of assets or businesses. The new guidance requires a company to evaluate if substantially all of the fair value of the gross assets acquired (or disposed of) is concentrated in a single identifiable asset or a group of similar identifiable assets; if so, the set of assets and activities is not a business. The guidance also requires a business to include at least one substantive process and narrows the definition of outputs by more closely aligning it with how outputs are described in the guidance for revenue from contracts with customers. The new standard is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The guidance should be applied prospectively to any transactions occurring within the period of adoption. We will adopt this ASU on January 1, 2018. Based on our historical acquisition activity, we do not expect this to have a material impact on our ongoing accounting or financial reporting.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The guidance simplifies the measurement of goodwill impairment by removing step 2 of the goodwill impairment test, which requires the determination of the fair value of individual assets and liabilities of a reporting unit. The new guidance requires goodwill impairment to be measured as the amount by which a reporting unit's carrying value exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The amendments should be applied on a prospective basis. The new standard is effective for fiscal years beginning after December 15, 2019 with early adoption permitted for interim or annual goodwill impairment tests performed after January 1, 2017. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

In March 2017, the FASB issued ASU No. 2017-08, *Receivables - Nonrefundable Fees and Other Costs (Topic 310-20): Premium Amortization on Purchased Callable Debt Securities*. The amendments in this ASU shortens the amortization period for the premium on certain purchased callable debt securities to the earliest call date. The new guidance does not change the accounting for purchased callable debt securities held at a discount. This update is effective for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. Early adoption of this ASU is permitted, including in interim periods. We early adopted the standard as of January 1, 2017. The adoption of this standard did not have a material impact on our financial statements.

FIDELITY NATIONAL FINANCIAL, INC.
(Parent Company)

BALANCE SHEETS

	December 31,	
	2017	2016
	(In millions, except share data)	
ASSETS		
Cash	\$ 230	\$ 246
Short term investments	85	1
Equity securities available for sale, at fair value	1	
Investment in unconsolidated affiliates	13	7
Notes receivable	576	622
Investments in and amounts due from subsidiaries	4,672	4,253
Property and equipment, net	4	4
Prepaid expenses and other assets	1	3
Investments in discontinued subsidiaries		2,581
Total assets	\$ 5,582	\$ 7,717
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 72	\$ 42
Income taxes payable	137	65
Deferred tax liability	169	629
Notes payable	757	985
Total liabilities	1,135	1,721
Equity:		
FNF Group common stock, \$0.0001 par value; authorized 487,000,000 shares as of December 31, 2017 and 2016; outstanding of 274,431,737 and 272,205,261 as of December 31, 2017 and 2016, respectively; and issued of 287,718,304 and 285,041,900 as of December 31, 2017 and 2016, respectively		
FNFV Group common stock, \$0.0001 par value; authorized 113,000,000 shares as of December 31, 2016, outstanding of 66,416,822 as of December 31, 2016, and issued of 80,581,675 as of December 31, 2016, see Note G		
Additional paid-in capital	4,587	4,848
Retained earnings	217	1,784
Accumulated other comprehensive loss	111	(13)
Less: Treasury stock, 13,286,567 shares and 27,001,492 shares as of December 31, 2017 and 2016, respectively, at cost	(468)	(623)
Total equity of Fidelity National Financial, Inc. common shareholders	4,447	5,996
Total liabilities and equity	\$ 5,582	\$ 7,717

See Notes to Financial Statements

FIDELITY NATIONAL FINANCIAL, INC.
(Parent Company)

STATEMENTS OF EARNINGS AND RETAINED EARNINGS

	Year Ended December 31,		
	2017	2016	2015
	(In millions, except per share data)		
Revenues:			
Other fees and revenue	\$ 1	\$ 4	\$ 3
Interest and investment income and realized gains	24	24	86
Total revenues	25	28	89
Expenses:			
Personnel expenses	32	26	28
Other operating expenses	8	6	1
Interest expense	48	64	74
Total expenses	88	96	103
Losses before income tax benefit and equity in earnings of subsidiaries	(63)	(68)	(14)
Income tax benefit	(17)	(24)	(5)
Losses before equity in earnings of subsidiaries	(46)	(44)	(9)
Equity in earnings of subsidiaries	685	671	520
Earnings from continuing operations	639	627	511
Equity in earnings of discontinued operations	132	23	16
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 771	\$ 650	\$ 527
Retained earnings, beginning of year	\$ 1,784	\$ 1,374	\$ 1,150
Dividends declared	(279)	(240)	(222)
Distribution of Black Knight to FNF common shareholders	(823)		
Redemption of FNFV tracking stock and distribution of Cannae Holdings, Inc. common stock to holders of FNFV tracking stock	(1,236)		
Distribution of J. Alexander's to FNFV Group common shareholders			(81)
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	771	650	527
Retained earnings, end of year	\$ 217	\$ 1,784	\$ 1,374

See Notes to Financial Statements

FIDELITY NATIONAL FINANCIAL, INC.
(Parent Company)

STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2017	2016	2015
	(In millions)		
Cash Flows From Operating Activities:			
Net earnings	\$ 771	\$ 650	\$ 527
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Equity in earnings of unconsolidated affiliates		(2)	
Impairment of assets		3	
Equity in earnings of subsidiaries	(817)	(694)	(536)
Depreciation and amortization		1	2
Stock-based compensation	34	36	38
Net change in income taxes	(130)	29	17
Net decrease (increase) in prepaid expenses and other assets	18	26	(25)
Net increase (decrease) in accounts payable and other accrued liabilities	17	(13)	2
Net cash (used in) provided by operating activities	(107)	36	25
Cash Flows From Investing Activities:			
Purchases of investments available for sale		(1)	
Net (purchases of) proceeds from short-term investment activities	(84)	162	(163)
Additions to notes receivable	(13)	(24)	(28)
Collection of notes receivable	49	22	1,542
Distributions from unconsolidated affiliates	1	2	
Additional investments in unconsolidated affiliates	(2)	(8)	
Net cash (used in) provided by investing activities	(50)	154	1,351
Cash Flows From Financing Activities:			
Borrowings		296	
Debt service payments	(530)	(2)	(1,100)
Equity portion of debt conversions paid in cash	(317)	(2)	
Dividends paid	(278)	(240)	(220)
Purchases of treasury stock	(23)	(268)	(506)
Exercise of stock options	31	19	26
Payment for shares withheld for taxes and in treasury	(18)	(9)	(13)
Cash transferred in the Black Knight spin-off	(87)		
Cash transferred in the FNFV split-off	(22)		
Other financing activity	(1)		(15)
Net dividends from subsidiaries	1,090	265	594
Net cash provided by (used in) financing activities	141	(237)	(1,234)
Net change in cash and cash equivalents	(16)	(47)	142
Cash at beginning of year	246	293	151
Cash at end of year	\$ 230	\$ 246	\$ 293

See Notes to Financial Statements

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FIDELITY NATIONAL FINANCIAL, INC.
(Parent Company)

NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

Fidelity National Financial, Inc. transacts substantially all of its business through its subsidiaries. The Parent Company Financial Statements should be read in connection with the aforementioned Consolidated Financial Statements and Notes thereto included elsewhere herein.

B. Notes Payable

Notes payable consist of the following:

	December 31,	
	2017	2016
	(In millions)	
Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022	\$ 397	\$ 397
Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018	65	291
Unsecured notes, net of discount, interest payable semi-annually at 6.60%, due May 2017		300
Revolving Credit Facility, unsecured, unused portion of \$500 at December 31, 2017, due April 2022 with interest payable monthly at LIBOR + 1.40% (2.76% at December 31, 2017)	295	(3)
	\$ 757	\$ 985

C. Supplemental Cash Flow Information

	Year Ended December 31,		
	2017	2016	2015
	(In millions)		
Cash paid during the year:			
Interest paid	\$ 54	\$ 63	\$ 72
Income tax payments	528	367	250

D. Cash Dividends Received

We have received cash dividends from subsidiaries and affiliates of \$0.8 billion, \$0.4 billion, and \$0.2 billion during the years ended December 31, 2017, 2016, and 2015, respectively.

**FIDELITY FINANCIAL, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS**

Years Ended December 31, 2017, 2016 and 2015

Column A	Column B	Column C	Column D	Column E	
Description	Balance at Beginning of Period	Charge to Costs and Expenses	Additions Other (Described)	Deduction (Described)	Balance at End of Period
			(In millions)		
Year ended December 31, 2017:					
Reserve for claim losses	\$ 1,487	\$ 238	\$ (4)(1)	\$ 231(2)	\$ 1,490
Year ended December 31, 2016:					
Reserve for claim losses	\$ 1,583	\$ 157	\$ (8)(1)	\$ 245(2)	\$ 1,487
Year ended December 31, 2015:					
Reserve for claim losses	\$ 1,621	\$ 246	\$ 1(1)	\$ 285(2)	\$ 1,583

(1) Represents the change in reinsurance recoverable.

(2) Represents payments of claim losses, net of recoupments.

See Accompanying Report of Independent Registered
Public Accounting Firm

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Table of Contents**Condensed Consolidated Balance Sheets as of March 31, 2018 and December 31, 2017**

(Dollars in millions, except share data)

	March 31, 2018	December 31, 2017
	(Unaudited)	
ASSETS		
Investments:		
Fixed maturity securities available for sale, at fair value, at March 31, 2018 and December 31, 2017 includes pledged fixed maturity securities of \$414 and \$364, respectively, related to secured trust deposits	\$ 1,782	\$ 1,816
Preferred securities, at fair value	316	319
Equity securities, at fair value	677	681
Investments in unconsolidated affiliates	155	150
Other long-term investments	135	110
Short-term investments, at March 31, 2018 and December 31, 2017 includes short-term investments of \$2 and \$3 related to secured trust deposits, respectively	346	295
Total investments	3,411	3,371
Cash and cash equivalents, at March 31, 2018 and December 31, 2017 includes \$420 and \$475, respectively, of pledged cash related to secured trust deposits	960	1,110
Trade and notes receivables, net of allowance of \$18, at March 31, 2018 and December 31, 2017, respectively	313	317
Goodwill	2,747	2,746
Prepaid expenses and other assets	412	398
Other intangible assets, net	600	618
Title plants	398	398
Property and equipment, net	177	193
Total assets	\$ 9,018	\$ 9,151
LIABILITIES AND EQUITY		
Liabilities:		
Accounts payable and accrued liabilities	\$ 796	\$ 955
Notes payable	748	759
Reserve for title claim losses	1,486	1,490
Secured trust deposits	825	830
Income taxes payable	164	137
Deferred tax liability	176	169
Total liabilities	4,195	4,340
Commitments and Contingencies:		
Redeemable non-controlling interest by 21% minority holder of ServiceLink Holdings, LLC	344	344
Equity:		
FNF Group common stock, \$0.0001 par value; authorized 487,000,000 shares as of March 31, 2018 and December 31, 2017; outstanding of 274,576,896 and 274,431,737 as of March 31, 2018 and December 31, 2017, respectively, and issued of 287,866,398 and 287,718,304 as of March 31, 2018 and December 31, 2017, respectively		
Preferred stock, \$0.0001 par value; authorized 50,000,000 shares; issued and outstanding, none		
Additional paid-in capital	4,573	4,587
Retained earnings	360	217
Accumulated other comprehensive (loss) earnings	(7)	111
Less: Treasury stock, 13,289,502 shares and 13,286,567 shares as of March 31, 2018 and December 31, 2017, respectively, at cost	(468)	(468)
Total Fidelity National Financial, Inc. shareholders' equity	4,458	4,447
Non-controlling interests	21	20

Total equity		4,479		4,467
Total liabilities, redeemable non-controlling interest and equity		\$ 9,018	\$	9,151

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Table of Contents**Condensed Consolidated Statement of Earnings for the three-month periods ended March 31, 2018 and 2017**

(Dollars in millions, except share data)

	Three months ended March 31,	
	2018	2017
	(Unaudited)	
Revenues:		
Direct title insurance premiums	\$ 472	\$ 465
Agency title insurance premiums	564	583
Escrow, title-related and other fees	618	571
Interest and investment income	38	28
Realized gains and losses, net	1	(4)
Total revenues	1,693	1,643
Expenses:		
Personnel costs	607	569
Agent commissions	431	446
Other operating expenses	423	389
Depreciation and amortization	47	43
Provision for title claim losses	47	52
Interest expense	11	16
Total expenses	1,566	1,515
Earnings from continuing operations before income taxes and equity in earnings of unconsolidated affiliates	127	128
Income tax expense	31	69
Earnings from continuing operations before equity in earnings of unconsolidated affiliates	96	59
Equity in earnings of unconsolidated affiliates	2	1
Net earnings from continuing operations	98	60
Net earnings from discontinued operations, net of tax		21
Net earnings	98	81
Less: Net earnings attributable to non-controlling interests	1	9
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 97	\$ 72
Amounts attributable to Fidelity National Financial, Inc. common shareholders		
Net earnings from continuing operations attributable to FNF Group common shareholders	\$ 97	\$ 61
Net earnings from discontinued operations attributable to FNF Group common shareholders		10
Net earnings attributable to FNF Group common shareholders	\$ 97	\$ 71
Net earnings from discontinued operations attributable to FNFV Group common shareholders		\$ 1
Earnings per share		
<i>Basic</i>		
Net earnings from continuing operations attributable to FNF Group common shareholders	\$ 0.36	\$ 0.22
Net earnings from discontinued operations attributable to FNF Group common shareholders		0.04
Net earnings per share attributable to FNF Group common shareholders	\$ 0.36	\$ 0.26

Net earnings per share from discontinued operations attributable to FNFV Group common shareholders	\$	0.02
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Diluted

Net earnings from continuing operations attributable to FNF Group common shareholders	\$	0.35	\$	0.22
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Net earnings from discontinued operations attributable to FNF Group common shareholders				0.03
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Net earnings per share attributable to FNF Group common shareholders	\$	0.35	\$	0.25
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Net earnings per share from discontinued operations attributable to FNFV Group common shareholders			\$	0.01
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Weighted average shares outstanding FNF Group common stock, basic basis	273	271
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Weighted average shares outstanding FNF Group common stock, diluted basis	280	279
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Cash dividends paid per share FNF Group common stock	\$	0.30	\$	0.25
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Weighted average shares outstanding FNFV Group common stock, basic basis		66
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Weighted average shares outstanding FNFV Group common stock, diluted basis		68
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Table of Contents**Condensed Consolidated Statement of Comprehensive Earnings for the three-month periods ended March 31, 2018 and 2017**

(In millions)

	Three months ended March 31,	
	2018	2017
	(Unaudited)	
Net earnings	\$ 98	\$ 81
Other comprehensive (loss) earnings:		
Unrealized (loss) gain on investments and other financial instruments, net (excluding investments in unconsolidated affiliates)(1)	(9)	19
Unrealized gain on investments in unconsolidated affiliates(2)	3	7
Unrealized (loss) gain on foreign currency translation(3)	(1)	1
Reclassification adjustments for change in unrealized gains and losses included in net earnings(4)	(2)	(3)
Other comprehensive (loss) earnings	(9)	24
Comprehensive earnings	89	105
Less: Comprehensive earnings attributable to non-controlling interests	1	8
Comprehensive earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 88	\$ 97
Comprehensive earnings attributable to FNF Group common shareholders	\$ 88	\$ 97
Comprehensive earnings attributable to FNFV Group common shareholders		\$

- (1) Net of income tax (benefit) expense of \$(3) million and \$8 million for the three-month periods ended March 31, 2018 and 2017, respectively.
- (2) Net of income tax expense of \$1 million and \$4 million for the three-month periods ended March 31, 2018 and 2017, respectively.
- (3) Net of income tax (benefit) expense of less than \$(1) million and \$1 million for the three-month periods ended March 31, 2018 and 2017, respectively.
- (4) Net of income tax expense of \$1 million and \$2 million for the three-month periods ended March 31, 2018 and 2017, respectively.

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Condensed Consolidated Statement of Equity for the three-month periods ended March 31, 2018 and 2017

(In millions)
(Unaudited)

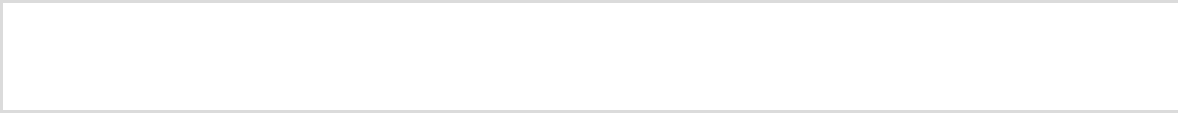
	Fidelity National Financial, Inc. Common Shareholders											
	FNF Group Common Stock		FNFV Group Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Earnings (Loss)		Treasury Stock		Non-Controlling Interests	Redeemable Non-Controlling Equity Interests	
	Shares	\$	Shares	\$	\$	Retained Earnings	(Loss)	Shares	\$	Interests	Equity	Interests
Balance, December 31, 2016	285	\$	81	\$	\$ 4,848	\$ 1,784	\$ (13)	27	\$ (623)	\$ 902	\$ 6,898	\$ 344
Exercise of stock options					2							2
Other comprehensive earnings unrealized gain (loss) on investments and other financial instruments							19			(1)	18	
Other comprehensive earnings unrealized gain on investments in unconsolidated affiliates							7				7	
Other comprehensive earnings unrealized gain on foreign currency translation							1				1	
Reclassification adjustments for change in unrealized gains and losses included in net earnings							(3)				(3)	
Equity portion of debt conversions settled in cash					(56)						(56)	
Stock-based compensation					9					1	10	
Dividends declared						(68)					(68)	
Acquisitions of non-controlling interests										2	2	
Subsidiary dividends declared to non-controlling interests										(2)	(2)	
Net earnings						72				9	81	
Balance, March 31, 2017	285	\$	81	\$	\$ 4,803	\$ 1,788	\$ 11	27	\$ (623)	\$ 911	\$ 6,890	\$ 344
Balance, December 31, 2017	288	\$		\$	\$ 4,587	\$ 217	\$ 111	13	\$ (468)	\$ 20	\$ 4,467	\$ 344
Adjustment for cumulative effect for adoption of ASU 2016-01						128	(109)				19	
Exercise of stock options					3						3	
Other comprehensive earnings unrealized losses on investments and other financial instruments							(9)				(9)	
Other comprehensive earnings unrealized gain on investments in unconsolidated affiliates							3				3	
Other comprehensive earnings unrealized losses on foreign currency translation							(1)				(1)	
Reclassification adjustments for change in unrealized gains and losses included in net earnings							(2)				(2)	
Stock-based compensation					7						7	
Dividends declared						(82)					(82)	
Acquisitions of noncontrolling interests										2	2	
Equity portion of debt conversions settled in cash					(24)						(24)	
Subsidiary dividends declared to non-controlling interests										(2)	(2)	
Net earnings						97				1	98	
Balance, March 31, 2018	288	\$		\$	\$ 4,573	\$ 360	\$ (7)	13	\$ (468)	\$ 21	\$ 4,479	\$ 344

Table of Contents**Condensed Consolidated Statement of Cash Flows for the three-month periods ended March 31, 2018 and 2017**

(In millions)

	For the three months ended March 31,	
	2018	2017
	(Unaudited)	
Cash flows from operating activities:		
Net earnings	\$ 98	\$ 81
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	47	112
Equity in (earnings) losses of unconsolidated affiliates	(2)	2
Gain on sales of investments and other assets, net	(8)	(1)
Impairment of assets		2
Distributions from unconsolidated affiliates, return on investment	1	
Stock-based compensation cost	7	10
Change in valuation of equity and preferred securities available for sale, net	7	
Changes in assets and liabilities, net of effects from acquisitions:		
Net decrease in trade receivables	6	15
Net increase in prepaid expenses and other assets	(14)	(41)
Net decrease in accounts payable, accrued liabilities, deferred revenue and other	(150)	(236)
Net decrease in reserve for title claim losses	(5)	(3)
Net change in income taxes	31	63
Net cash provided by operating activities	18	4
Cash flows from investing activities:		
Proceeds from sales of investment securities	189	105
Proceeds from calls and maturities of investment securities	120	154
Proceeds from sales of property and equipment	21	
Additions to property and equipment and capitalized software	(20)	(46)
Purchases of investment securities	(283)	(84)
Net (purchases of) proceeds from short-term investment securities	(51)	140
Additional investments in unconsolidated affiliates	(21)	(32)
Distributions from unconsolidated affiliates, return of investment	19	20
Net other investing activities	(1)	(1)
Other acquisitions/disposals of businesses, net of cash acquired	(5)	(32)
Net cash (used in) provided by investing activities	(32)	224
Cash flows from financing activities:		
Borrowings		50
Debt service payments	(15)	(69)
Equity portion of debt conversions paid in cash	(31)	(44)
Dividends paid	(82)	(68)
Subsidiary dividends paid to non-controlling interest shareholders	(2)	(2)
Exercise of stock options	3	2
Net change in secured trust deposits	(5)	(112)
Payment of contingent consideration for prior period acquisitions	(4)	(6)
Net cash used in financing activities	(136)	(249)
Net decrease in cash and cash equivalents	(150)	(21)
Cash and cash equivalents at beginning of period	1,110	1,323
Cash and cash equivalents at end of period	\$ 960	\$ 1,302

Explanation of Responses:



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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Note A Basis of Financial Statements

The unaudited financial information in this report includes the accounts of Fidelity National Financial, Inc. and its subsidiaries (collectively, "we," "us," "our," or "FNF") prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and the instructions to Form 10-Q and Article 10 of Regulation S-X. All adjustments considered necessary for a fair presentation have been included. All adjustments made were of a normal, recurring nature. This report should be read in conjunction with our Annual Report on Form 10-K (our "Annual Report") for the year ended December 31, 2017.

Certain reclassifications have been made in the 2017 Condensed Consolidated Financial Statements to conform to classifications used in 2018.

Description of the Business

We are a leading provider of (i) title insurance, escrow and other title-related services, including trust activities, trustee sales guarantees and home warranty products and (ii) technology and transaction services to the real estate and mortgage industries. FNF is the nation's largest title insurance company operating through its title insurance underwriters Fidelity National Title Insurance Company ("FNTIC"), Chicago Title Insurance Company ("Chicago Title"), Commonwealth Land Title Insurance Company ("Commonwealth Title"), Alamo Title Insurance and National Title Insurance of New York Inc. which collectively issue more title insurance policies than any other title company in the United States. Through our subsidiary, ServiceLink Holdings, LLC ("ServiceLink"), we provide mortgage transaction services, including title-related services and facilitation of production and management of mortgage loans.

For information about our reportable segments refer to Note H *Segment Information*.

Recent Developments

On March 18, 2018, we signed a merger agreement (the "Merger Agreement") to acquire Stewart Information Services Corporation ("Stewart") (NYSE: STC) (the "Stewart Merger"), pursuant to which each share of Stewart common stock issued and outstanding immediately prior to the effective time of the Stewart Merger (other than shares owned by Stewart, its subsidiaries, FNF or the wholly-owned subsidiaries of FNF party to the Merger Agreement and shares in respect of which appraisal rights have been properly exercised and perfected under Delaware law), will be converted into the right to receive, at the election of the holder of such share, (i) \$50.00 in cash, (ii) 1.2850 shares of FNF Group common stock, or (iii) \$25.00 in cash and 0.6425 shares of FNF Group common stock, subject to potential adjustment (as described below) and proration to the extent the option to receive cash or the option to receive stock is oversubscribed.

Under the terms of the Merger Agreement, if the combined company is required to divest assets or businesses for which 2017 annual revenues exceed \$75 million, up to a cap of \$225 million, in order to receive required regulatory approvals, the purchase price will be adjusted down on a pro-rata basis to a minimum purchase price of \$45.50 per share of common stock of Stewart. If the Stewart Merger is not completed for failure to obtain the required regulatory approvals, we are required to pay a reverse break-up fee of \$50 million to Stewart.

FNF currently intends to fund the \$1.2 billion purchase price through a combination of cash on hand at FNF, debt financing and the issuance of FNF common stock to Stewart stockholders. Including

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

Note A Basis of Financial Statements (Continued)

the assumption of \$109 million of Stewart debt, pro forma debt to total capital is expected to be no more than approximately 20% at the close of the transaction.

The closing of the Stewart Merger is subject to certain closing conditions, including Stewart stockholder approval, federal and state regulatory approvals and the satisfaction of other customary closing conditions. Closing of the Stewart Merger is expected in the first or second quarter of 2019.

Earnings Per Share

Basic earnings per share, as presented on the Condensed Consolidated Statement of Earnings, is computed by dividing net earnings available to common shareholders in a given period by the weighted average number of common shares outstanding during such period. In periods when earnings are positive, diluted earnings per share is calculated by dividing net earnings available to common shareholders by the weighted average number of common shares outstanding plus the impact of assumed conversions of potentially dilutive securities. For periods when we recognize a net loss, diluted earnings per share is equal to basic earnings per share as the impact of assumed conversions of potentially dilutive securities is considered to be antidilutive. We have granted certain stock options, shares of restricted stock, convertible debt instruments and certain other convertible share based payments which have been treated as common share equivalents for purposes of calculating diluted earnings per share for periods in which positive earnings have been reported.

Options or other instruments which provide the ability to purchase shares of our common stock that are antidilutive are excluded from the computation of diluted earnings per share. There were no antidilutive options outstanding during the three-month period ended March 31, 2018. There were 2 million antidilutive options outstanding during the three-month period ended March 31, 2017.

Income Tax

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "Tax Reform Act"). Among other provisions, the Tax Reform Act reduced the Federal statutory corporate income tax rate from 35% to 21% and limited or eliminated certain deductions. Our effective tax rate was 24.4% and 54.4% in the three months ended March 31, 2018 and 2017, respectively. The decrease was primarily attributable to the Tax Reform Act and increased tax expense of \$21 million in the 2017 period resulting from a change in judgment of the tax deductibility of legal settlements finalized in the period.

SEC Staff Accounting Bulletin No. 118 ("SAB 118"), has provided guidance for companies that have not completed their accounting for the income tax effects of the Tax Reform Act in the period of enactment, allowing for a measurement period of up to one year after the enactment date to finalize the recording of the related tax impacts. As of March 31, 2018, we have not completed our accounting for the tax effects of the enactment of the Tax Reform Act, however, we have made a reasonable estimate of the effects on our deferred tax balances. In other cases, we have not been able to make a reasonable estimate and will continue to analyze the Tax Reform Act in order to finalize any related impacts within the measurement period.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note A Basis of Financial Statements (Continued)***Discontinued Operations*

On November 17, 2017, we completed our previously announced split-off (the "FNFV Split-Off") of our former wholly-owned subsidiary Cannae Holdings, Inc. ("Cannae") which consisted of the businesses, assets and liabilities formerly attributed to our FNF Ventures ("FNFV") Group including Ceridian Holding, LLC, American Blue Ribbon Holdings, LLC and T-System Holding LLC. The FNFV Split-Off was accomplished by the Company's redemption (the "Redemption") of all of the outstanding shares of FNFV Group common stock, par value \$0.0001 per share ("FNFV common stock") for outstanding shares of common stock of Cannae, par value \$0.0001 per share ("Cannae common stock"), amounting to a redemption of each outstanding share of FNFV common stock for one share of Cannae common stock, as of November 17, 2017. As a result of the FNFV Split-Off, Cannae is a separate, publicly traded company (NYSE: CNNE) as of November 20, 2017. All of the Company's core title insurance, real estate, technology and mortgage related businesses, assets and liabilities currently attributed to the Company's FNF Group common stock that are not held by Cannae remain with the Company. As a result of the FNFV Split-Off, the financial results of FNFV Group have been reclassified to discontinued operations for the three months ended March 31, 2017.

On September 29, 2017 we completed our tax-free distribution, to FNF Group shareholders, of all 83.3 million shares of New BKH Corp. ("New BKH") common stock that we previously owned (the "BK Distribution"). Immediately following the BK Distribution, New BKH and Black Knight Financial Services, Inc. ("Black Knight") engaged in a series of transactions resulting in the formation of a new publicly traded holding company, Black Knight, Inc. ("New Black Knight"). Holders of FNF Group common stock received approximately 0.30663 shares of New Black Knight common stock for every one share of FNF Group common stock held at the close of business on September 20, 2017, the record date for the BK Distribution. New Black Knight's common stock is now listed under the symbol "BKI" on the New York Stock Exchange. The BK Distribution is expected to generally be tax-free to FNF Group shareholders for U.S. federal income tax purposes, except to the extent of any cash received in lieu of New Black Knight's fractional shares. As a result of the BK Distribution, the financial results of Black Knight have been reclassified to discontinued operations for the three months ended March 31, 2017.

See Note K. *Discontinued Operations* for further details of the results of FNFV and Black Knight.

*Recent Accounting Pronouncements**Revenue Recognition*

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU provides a new comprehensive revenue recognition model that requires companies to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. This update also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts. This update permits the use of either the retrospective or cumulative effect transition method. ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations* was issued by FASB in March 2016 to clarify the principal versus agent considerations within ASU 2014-09. ASU 2016-10 *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* was issued by the FASB in April 2016 to clarify how to determine whether goods and services are

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note A Basis of Financial Statements (Continued)**

separately identifiable and thus accounted for as separate performance obligations. ASU 2016-12 *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* was issued by the FASB in May 2016 to clarify certain terms from the aforementioned updates and to add practical expedients for contracts at various stages of completion. ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, was issued by the FASB in December 2016 which includes thirteen technical corrections and improvements affecting narrow aspects of the guidance issued in ASU 2014-09.

We adopted these revenue standards on January 1, 2018 using the modified retrospective approach. As there was no impact to our historical revenue recognition, we did not record a cumulative-effect adjustment to the opening balance of retained earnings in the current year. See Note J. *Revenue Recognition* for further discussion of our revenue.

Other Adopted Pronouncements

In January 2016, the FASB issued ASU No. 2016-01 *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. The primary amendments required by the ASU include: requiring equity investments with readily determinable fair values to be measured at fair value through net income rather than through other comprehensive income; allowing entities with equity investments without readily determinable fair values to report the investments at cost, adjusted for changes in observable prices, less impairment; requiring entities that elect the fair value option for financial liabilities to report the change in fair value attributable to instrument-specific credit risk in other comprehensive income; and clarifying that entities should assess the need for a valuation allowance on a deferred tax asset related to available-for-sale debt securities in combination with other deferred tax assets. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The ASU requires a cumulative-effect adjustment of the balance sheet as of the beginning of the year of adoption. Early adoption of the ASU is not permitted, except for the provision related to financial liabilities for which the fair value option has been elected.

We adopted this new guidance on January 1, 2018, which resulted in the reclassification of our unrealized gains and losses on our equity and preferred securities available for sale previously included in accumulated other comprehensive income to beginning retained earnings. Changes in the fair value of our investments in equity and preferred securities subsequent to January 1, 2018 are now included in our earnings from continuing operations. We reclassified a total of \$109 million from Accumulated other comprehensive income to beginning Retained earnings as of January 1, 2018. The total cumulative effect on opening equity, including an increase in Retained earnings of \$19 million attributable to an increase in value of certain Other long term investments resulting from recording at fair value, was an increase in Retained earnings of \$128 million and decrease in Accumulated other comprehensive income of \$109 million.

In November 2016, the FASB issued ASU No. 2016-18 *Statement of Cash Flows (Topic 230): Restricted Cash*. The amendments in this ASU require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. GAAP currently does not include specific guidance on the cash flow classification and presentation of changes in restricted cash. The Company previously excluded cash pledged related to secured trust deposits, which generally meets the definition of restricted cash, from

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note A Basis of Financial Statements (Continued)**

the reconciliation of beginning-of-period to end-of-period total amounts shown on the statement of cash flows. This update is effective for annual periods beginning after December 15, 2017, including interim periods within those fiscal years. The ASU requires retrospective application to all prior periods presented upon adoption.

We adopted this ASU on January 1, 2018. The adoption of this ASU resulted in the following retrospective changes to our Statement of Cash Flows for the three months ended March 31, 2017: an increase in the net change in cash and cash equivalents of \$67 million due to the inclusion of the change in our cash pledged against secured trust deposits, an increase in investing cash inflow of \$179 million related to the movement of cash paid for investments pledged against secured trust deposits from operating to investing activities, and an increase in financing cash outflow of \$112 million related to the movement of the change in secured trust deposits from operating to financing activities.

Other Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02 *Leases (Topic 842)*. The amendments in this ASU introduce broad changes to the accounting and reporting for leases by lessees. The main provisions of the new standard include: clarifications to the definitions of a lease, components of leases, and criteria for determining lease classification; requiring virtually all leased assets, including operating leases and related liabilities resulting from applying the fair value measurement, to be reflected on the lessee's balance sheet; and expanding and adding to the required disclosures for lessees. This update is effective for annual and interim periods beginning after December 15, 2018, including interim periods within those fiscal years. Early application of the standard is permitted. The ASU requires a modified retrospective approach to transitioning which allows for the use of practical expedients to effectively account for leases commenced prior to the effective date in accordance with previous GAAP, except that lessees are required to recognize a right-of-use asset and a lease liability for all operating leases at each reporting date based on the present value of the remaining minimum rental payments that were tracked and disclosed under previous GAAP. We are still evaluating the totality of the effects this new guidance will have on our business process and systems, consolidated financial statements, and related disclosures. We have identified a vendor with software suited to track and account for leases under the new standard. We have not concluded on the anticipated financial statement effects of adoption. We plan to adopt this standard on January 1, 2019.

In June 2016, the FASB issued ASU No. 2016-13 *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The amendments in this ASU introduce broad changes to accounting for credit impairment of financial instruments. The primary updates include the introduction of a new current expected credit loss ("CECL") model that is based on expected rather than incurred losses and amendments to the accounting for impairment of fixed maturity securities available for sale. This update is effective for annual periods beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for annual periods beginning after December 15, 2018, including interim periods within those fiscal years. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects. We do not plan to early adopt the standard.

In January 2017, the FASB issued ASU 2017-04, *Intangibles - Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The guidance simplifies the measurement of goodwill impairment by removing step 2 of the goodwill impairment test, which requires the determination of

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note A Basis of Financial Statements (Continued)**

the fair value of individual assets and liabilities of a reporting unit. The new guidance requires goodwill impairment to be measured as the amount by which a reporting unit's carrying value exceeds its fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The amendments should be applied on a prospective basis. The new standard is effective for fiscal years beginning after December 15, 2019 with early adoption permitted for interim or annual goodwill impairment tests performed after January 1, 2017. We are currently evaluating the effect this new guidance will have on our consolidated financial statements and related disclosures and have not yet concluded on its effects.

Note B Summary of Reserve for Claim Losses

A summary of the reserve for claim losses follows:

	Three months ended March 31,	
	2018	2017
	(Dollars in millions)	
Beginning balance	\$ 1,490	\$ 1,487
Change in reinsurance recoverable		(4)
Claim loss provision related to:		
Current year	47	51
Prior years		1
Total title claim loss provision	47	52
Claims paid, net of recoupments related to:		
Current year	(1)	(1)
Prior years	(50)	(50)
Total title claims paid, net of recoupments	(51)	(51)
Ending balance of claim loss reserve for title insurance	\$ 1,486	\$ 1,484
Provision for title insurance claim losses as a percentage of title insurance premiums	4.5%	5.0%

We continually update loss reserve estimates as new information becomes known, new loss patterns emerge, or as other contributing factors are considered and incorporated into the analysis of reserve for claim losses. Estimating future title loss payments is difficult because of the complex nature of title claims, the long periods of time over which claims are paid, significantly varying dollar amounts of individual claims and other factors.

Due to the uncertainty inherent in the process and to the judgment used by management, the ultimate liability may be greater or less than our current reserves. If actual claims loss development varies from what is currently expected and is not offset by other factors, it is possible that our recorded reserves may fall outside a reasonable range of our actuary's central estimate, which may require additional reserve adjustments in future periods.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note C Fair Value Measurements**

The following table presents the fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis as of March 31, 2018 and December 31, 2017, respectively:

	March 31, 2018			
	Level 1	Level 2	Level 3	Total
(In millions)				
Fixed maturity securities available for sale:				
U.S. government and agencies	\$	\$ 245	\$	\$ 245
State and political subdivisions		230		230
Corporate debt securities		1,183	13	1,196
Mortgage-backed/asset-backed securities		53		53
Foreign government bonds		58		58
Preferred securities	23	293		316
Equity securities	677			677
Other long-term investments			101	101
Total assets	\$ 700	\$ 2,062	\$ 114	\$ 2,876

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
(In millions)				
Fixed maturity securities available for sale:				
U.S. government and agencies	\$	\$ 195	\$	\$ 195
State and political subdivisions		391		391
Corporate debt securities		1,117		1,117
Mortgage-backed/asset-backed securities		56		56
Foreign government bonds		57		57
Preferred securities	23	296		319
Equity securities	681			681
Total assets	\$ 704	\$ 2,112	\$	\$ 2,816

Our Level 2 fair value measures for preferred securities and fixed-maturity securities available for sale are provided by a third-party pricing service. We utilize one firm for our preferred stock and our bond portfolios. The pricing service is a leading global provider of financial market data, analytics and related services to financial institutions. The inputs utilized in these pricing methodologies include observable measures such as benchmark yields, reported trades, broker dealer quotes, issuer spreads, two sided markets, benchmark securities, bids, offers and reference data including market research publications. We review the pricing methodologies for all of our Level 2 securities by obtaining an understanding of the valuation models and assumptions used by the third-party as well as independently comparing the resulting prices to other publicly available measures of fair value and internally developed models. The pricing methodologies used by the relevant third party pricing services are as follows:

U.S. government and agencies: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

Note C Fair Value Measurements (Continued)

State and political subdivisions: These securities are valued based on data obtained for similar securities in active markets and from inter-dealer brokers. Factors considered include relevant trade information, dealer quotes and other relevant market data.

Corporate debt securities: These securities are valued based on dealer quotes and related market trading activity. Factors considered include the bond's yield, its terms and conditions, or any other feature which may influence its risk and thus marketability, as well as relative credit information and relevant sector news.

Foreign government bonds: These securities are valued based on a discounted cash flow model incorporating observable market inputs such as available broker quotes and yields of comparable securities.

Mortgage-backed/asset-backed securities: These securities are comprised of commercial mortgage-backed securities, agency mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities. They are valued based on available trade information, dealer quotes, cash flows, relevant indices and market data for similar assets in active markets.

Preferred securities: Preferred securities are valued by calculating the appropriate spread over a comparable U.S. Treasury security. Inputs include benchmark quotes and other relevant market data.

In conjunction with our adoption of ASU No. 2016-01, beginning January 1, 2018, we began recording certain equity investments included in other long term investments at fair value which were previously accounted for as cost method investments. See discussion of Recent Accounting Pronouncements in Note A. *Basis of Financial Statements for further information on the impact of the adoption of ASU No. 2016-01.*

Our Level 3 fair value measures for other long term investments are provided by a third-party pricing service. We utilize one firm to value our Level 3 other long term investment. The pricing service is a leading global provider of financial market data, analytics and related services to financial institutions. We utilize the income approach and a discounted cash flow analysis in determining the fair value of our Level 3 other long term investment. The primary unobservable input utilized in this pricing methodology is the discount rate used which is determined based on underwriting yield, credit spreads, yields on benchmark indices, and comparable public company debt. The discount rate used in our determination of the fair value of our Level 3 other long term investment as of March 31, 2018 was 8.0%. Based on the total fair value of our Level 3 other long term investment as of March 31, 2018, changes in the discount rate utilized will not result in a fair value significantly different than the amount recorded.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note C Fair Value Measurements (Continued)**

The following table presents a summary of the changes in the fair values of Level 3 assets, measured on a recurring basis, for the three months ended March 31, 2018.

	March 31, 2018		
	Other long-term investments	Corporate debt securities	Total
	(In millions)		
Fair value, December 31, 2017	\$	\$	\$
Fair value of assets associated with the adoption of ASU 2016-01	100		100
Transfers from Level 2		13	13
Paid-in-kind dividends	1		1
Total	\$ 101	\$ 13	\$ 114

Transfers into or out of the Level 3 fair value category occur when unobservable inputs become more or less significant to the fair value measurement or upon a change in valuation technique. For the three months ended March 31, 2018, transfers between Level 2 and Level 3 were based on changes in significance of unobservable inputs used associated with a change in the valuation technique used for certain of the Company's corporate debt securities and are not considered material to the Company's financial position or results of operations. The Company's policy is to recognize transfers between levels in the fair value hierarchy at the end of the reporting period.

We recorded no realized or unrealized gains or losses in net earnings or other comprehensive (loss) earnings related to the change in fair value or sales of assets measured using Level 3 inputs in the three months ended March 31, 2018 or 2017.

As of December 31, 2017 and March 31, 2017, we held no material assets or liabilities measured at fair value using Level 3 inputs.

The carrying amounts of short-term investments, accounts receivable and notes receivable approximate fair value due to their short-term nature. Additional information regarding the fair value of our investment portfolio is included in Note D. "*Investments*".

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note D Investments**

The carrying amounts and fair values of our available for sale securities at March 31, 2018 and December 31, 2017 are as follows:

	Carrying Value	Cost Basis	March 31, 2018		Fair Value
			Unrealized Gains	Unrealized Losses	
(In millions)					
Fixed maturity securities available for sale:					
U.S. government and agencies	\$ 245	\$ 247	\$	\$ (2)	\$ 245
State and political subdivisions	230	227	3		230
Corporate debt securities	1,196	1,201	6	(11)	1,196
Mortgage-backed/asset-backed securities	53	53	1	(1)	53
Foreign government bonds	58	60		(2)	58
Total	\$ 1,782	\$ 1,788	\$ 10	\$ (16)	\$ 1,782

	Carrying Value	Cost Basis	December 31, 2017		Fair Value
			Unrealized Gains	Unrealized Losses	
(In millions)					
Fixed maturity securities available for sale:					
U.S. government and agencies	\$ 195	\$ 196	\$	\$ (1)	\$ 195
State and political subdivisions	391	387	4		391
Corporate debt securities	1,117	1,110	11	(4)	1,117
Mortgage-backed/asset-backed securities	56	55	1		56
Foreign government bonds	57	58	1	(2)	57
Preferred securities	319	307	12		319
Equity securities	681	517	172	(8)	681
Total	\$ 2,816	\$ 2,630	\$ 201	\$ (15)	\$ 2,816

The cost basis of fixed maturity securities available for sale includes an adjustment for amortized premium or accreted discount since the date of purchase.

In conjunction with our adoption of ASU No. 2016-01, beginning January 1, 2018, unrealized gains and losses on equity and preferred securities are included in Realized gains and losses, net on the Condensed Consolidated Statement of Earnings for the three months ended March 31, 2018. Accordingly, they are excluded from the table as of March 31, 2018 above. Refer to discussion under *Recent Accounting Pronouncements* included in Note A. *Basis of Financial Statements* for further discussion of the effects of the adoption of ASU 2016-01.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note D Investments (Continued)**

The following table presents certain information regarding contractual maturities of our fixed maturity securities at March 31, 2018:

Maturity	Amortized Cost	March 31, 2018		Fair Value	% of Total
		% of Total			
(Dollars in millions)					
One year or less	\$ 445	25%	\$ 444		25%
After one year through five years	1,269	71	1,264		71
After five years through ten years	16	1	16		1
After ten years	5		5		
Mortgage-backed/asset-backed securities	53	3	53		3
Total	\$ 1,788	100%	\$ 1,782		100%

Expected maturities may differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Because of the potential for prepayment on mortgage-backed and asset-backed securities, they are not categorized by contractual maturity.

Net unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at March 31, 2018 and December 31, 2017, were as follows (in millions):

March 31, 2018

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government and agencies	\$ 210	\$ (2)	\$	\$	\$ 210	\$ (2)
Corporate debt securities	830	(8)	44	(3)	874	(11)
Foreign government bonds	19	(1)	7	(1)	26	(2)
Mortgage-backed/asset-backed securities	29	(1)			29	(1)
Total temporarily impaired securities	\$ 1,088	\$ (12)	\$ 51	\$ (4)	\$ 1,139	\$ (16)

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note D Investments (Continued)****December 31, 2017**

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
U.S. government and agencies	\$ 149	\$ (1)	\$	\$	\$ 149	\$ (1)
Corporate debt securities	464	(3)	51	(1)	515	(4)
Foreign government bonds			10	(2)	10	(2)
Equity securities	121	(7)	5	(1)	126	(8)
Total temporarily impaired securities	\$ 734	\$ (11)	\$ 66	\$ (4)	\$ 800	\$ (15)

We recorded no impairment charges relating to investments during the three-month periods ended March 31, 2018 or 2017.

As of March 31, 2018 and December 31, 2017, we held no investment securities for which an other-than-temporary impairment had been previously recognized. It is possible that future events may lead us to recognize impairment losses related to our investment portfolio and that unanticipated future events may lead us to dispose of certain investment holdings and recognize the effects of any market movements in our condensed consolidated financial statements.

The following table presents realized gains and losses on investments and other assets and proceeds from the sale or maturity of investments and other assets for the three-month periods ended March 31, 2018 and 2017, respectively:

	Three months ended March 31, 2018			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/ Maturity
	(In millions)			
Fixed maturity securities available for sale	\$ 3	\$	\$ 3	\$ 298
Valuation losses on equity securities			(4)	
Valuation losses on preferred securities			(3)	
Property and equipment			5	21
Total			\$ 1	\$ 319

	Three months ended March 31, 2017			
	Gross Realized Gains	Gross Realized Losses	Net Realized Gains (Losses)	Gross Proceeds from Sale/ Maturity
	(In millions)			
Fixed maturity securities available for sale	\$ 3	\$ (3)	\$	\$ 236
Loss on debt redemptions			(2)	
Other assets			(2)	

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Total	\$	(4)	\$	236
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Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note E Notes Payable**

Notes payable consists of the following:

	March 31, 2018	December 31, 2017
	(In millions)	
Unsecured notes, net of discount, interest payable semi-annually at 5.50%, due September 2022	\$ 398	\$ 397
Unsecured convertible notes, net of discount, interest payable semi-annually at 4.25%, due August 2018	53	65
Revolving Credit Facility, unsecured, unused portion of \$500, due April 2022 with interest payable quarterly at LIBOR + 1.40% (3.12% at March 31, 2018)	295	295
Other	2	2
	\$ 748	\$ 759

At March 31, 2018, the estimated fair value of our long-term debt was approximately \$899 million, which was \$144 million higher than its carrying value, excluding \$7 million of net unamortized debt issuance costs and premium/discount. The fair value of our unsecured notes payable was \$597 million as of March 31, 2018. The fair values of our unsecured notes payable are based on established market prices for the securities on March 31, 2018 and are considered Level 2 financial liabilities. The carrying value of the Revolving Credit Facility approximates fair value at March 31, 2018, as it is a variable rate instrument with a short reset period (monthly) which reflects current market rates. The revolving credit facilities are considered Level 2 financial liabilities.

On June 25, 2013, FNF entered into an agreement to amend and restate our existing \$800 million Second Amended and Restated Credit Agreement (the "Existing Credit Agreement"), dated as of April 16, 2012 with Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent") and the other agents party thereto (the "Revolving Credit Facility"). On April 27, 2017, the Existing Credit Agreement was amended (the "Restated Credit Agreement"). The material terms of the Revolving Credit Facility are set forth in our Annual Report for the year ended December 31, 2017. As of March 31, 2018, there was \$295 million outstanding, net of \$5 million of unamortized debt issuance costs, and \$500 million of remaining borrowing capacity under the Revolving Credit Facility.

On August 28, 2012, FNF completed an offering of \$400 million in aggregate principal amount of 5.50% notes due September 2022 (the "5.50% notes"), pursuant to an effective registration statement previously filed with the SEC. The material terms of the 5.50% notes are set forth in our Annual Report for the year ended December 31, 2017.

On August 2, 2011, FNF completed an offering of \$300 million in aggregate principal amount of 4.25% convertible senior notes due August 2018 (the "Notes") in an offering conducted in accordance with Rule 144A under the Securities Act of 1933, as amended. The material terms of the Notes are set forth in our Annual Report for the year ended December 31, 2017. Beginning October 1, 2013, these notes are convertible under the 130% Sale Price Condition described in our Annual Report. During the three months ended March 31, 2018, we repurchased Notes with aggregate principal of \$16 million for \$47 million. Upon maturity of the Notes in August 2018, we expect to settle in cash, pay approximately

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note E Notes Payable (Continued)**

\$163 million, and record a gain of approximately \$6 million based on stock prices and conversion rates as of March 31, 2018.

Gross principal maturities of notes payable at March 31, 2018 are as follows (in millions):

2018 (remaining)	\$	54
2019		
2020		1
2021		
2022		700
Thereafter		
	\$	755

Note F Commitments and Contingencies***Legal and Regulatory Contingencies***

In the ordinary course of business, we are involved in various pending and threatened litigation matters related to our operations, some of which include claims for punitive or exemplary damages. With respect to our title insurance operations, this customary litigation includes but is not limited to a wide variety of cases arising out of or related to title and escrow claims, for which we make provisions through our loss reserves. Additionally, like other companies, our ordinary course litigation includes a number of class action and purported class action lawsuits, which make allegations related to aspects of our operations. We believe that no actions, other than the matters discussed below, if any, depart from customary litigation incidental to our business.

We review lawsuits and other legal and regulatory matters (collectively "legal proceedings") on an ongoing basis when making accrual and disclosure decisions. When assessing reasonably possible and probable outcomes, management bases its decision on its assessment of the ultimate outcome assuming all appeals have been exhausted. For legal proceedings in which it has been determined that a loss is both probable and reasonably estimable, a liability based on known facts and which represents our best estimate has been recorded. Our accrual for legal and regulatory matters was \$11 million and \$2 million as of March 31, 2018 and December 31, 2017, respectively. None of the amounts we have currently recorded are considered to be material to our financial condition individually or in the aggregate. Actual losses may materially differ from the amounts recorded and the ultimate outcome of our pending legal proceedings is generally not yet determinable. While some of these matters could be material to our operating results or cash flows for any particular period if an unfavorable outcome results, at present we do not believe that the ultimate resolution of currently pending legal proceedings, either individually or in the aggregate, will have a material adverse effect on our financial condition.

From time to time we receive inquiries and requests for information from state insurance departments, attorneys general and other regulatory agencies about various matters relating to our business. Sometimes these take the form of civil investigative demands or subpoenas. We cooperate with all such inquiries and we have responded to or are currently responding to inquiries from multiple governmental agencies. Also, regulators and courts have been dealing with issues arising from foreclosures and related processes and documentation. Various governmental entities are studying the title insurance product, market, pricing, and business practices, and potential regulatory and legislative

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note F Commitments and Contingencies (Continued)**

changes, which may materially affect our business and operations. From time to time, we are assessed fines for violations of regulations or other matters or enter into settlements with such authorities which may require us to pay fines or claims or take other actions.

Operating Leases

Future minimum operating lease payments are as follows (in millions):

2018 (remaining)	\$ 115
2019	135
2020	106
2021	78
2022	53
Thereafter	51
Total future minimum operating lease payments	\$ 538

Note G Dividends

On May 2, 2018, our Board of Directors declared cash dividends of \$0.30 per share, payable on June 29, 2018, to FNF common shareholders of record as of June 15, 2018.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note H Segment Information**

Summarized financial information concerning our reportable segments is shown in the following tables.

As of and for the three months ended March 31, 2018:

	Title (In millions)	Corporate and Other	Total
Title premiums	\$ 1,036	\$	\$ 1,036
Other revenues	516	102	618
Revenues from external customers	1,552	102	1,654
Interest and investment income, including realized gains and losses	38	1	39
Total revenues	1,590	103	1,693
Depreciation and amortization	40	7	47
Interest expense		11	11
Earnings (loss) from continuing operations, before income taxes and equity in earnings of unconsolidated affiliates	163	(36)	127
Income tax expense (benefit)	40	(9)	31
Earnings (loss) from continuing operations, before equity in earnings of unconsolidated affiliates	123	(27)	96
Equity in earnings of unconsolidated affiliates	1	1	2
Earnings (loss) from continuing operations	\$ 124	\$ (26)	\$ 98
Assets	\$ 8,276	\$ 742	\$ 9,018
Goodwill	2,434	313	2,747

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Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note H Segment Information (Continued)**

As of and for the three months ended March 31, 2017:

	Title	Corporate and Other	Total
Title premiums	\$ 1,048	\$	\$ 1,048
Other revenues	496	75	571
Revenues from external customers	1,544	75	1,619
Interest and investment income, including realized gains and losses	26	(2)	24
Total revenues	1,570	73	1,643
Depreciation and amortization	38	5	43
Interest expense		16	16
Earnings (loss) from continuing operations, before income taxes and equity in earnings (losses) of unconsolidated affiliates	151	(23)	128
Income tax expense (benefit)	78	(9)	69
Earnings (loss) from continuing operations, before equity in earnings (losses) of unconsolidated affiliates	73	(14)	59
Equity in earnings (losses) of unconsolidated affiliates	2	(1)	1
Earnings (loss) from continuing operations	\$ 75	\$ (15)	\$ 60
Assets	\$ 8,264	\$ 5,914	\$ 14,178
Goodwill	2,347	215	2,562

The activities in our segments include the following:

Title. This segment consists of the operations of our title insurance underwriters and related businesses. This segment provides core title insurance and escrow and other title-related services including trust activities, trustee sales guarantees, and home warranty products. This segment also includes our transaction services business, which includes other title-related services used in the production and management of mortgage loans, including mortgage loans that experience default.

Corporate and Other. This segment consists of the operations of the parent holding company, our various real estate brokerage businesses, and our real estate technology subsidiaries. This segment also includes certain other unallocated corporate overhead expenses and eliminations of revenues and expenses between it and our Title segment, as well as the assets of discontinued operations of Black Knight and FNFV as of March 31, 2017.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note I Supplemental Cash Flow Information**

The following supplemental cash flow information is provided with respect to certain non-cash investing and financing activities.

	Three months ended March 31,	
	2018	2017
Cash paid for:		
Interest	\$ 15	\$ 30
Income taxes	2	14
Non-cash investing and financing activities:		
Investing activities:		
Change in proceeds of sales of investments available for sale receivable in period	\$ 11	\$ (9)
Change in purchases of investments available for sale payable in period	(4)	1
Financing activities:		
Accrual for unsettled debt service payments related to the Notes	\$	\$ 9
Accrual for the equity portion of unsettled repurchases of the Notes		12

Note J Revenue Recognition

On January 1, 2018, we adopted ASC Topic 606 by applying the modified retrospective method. Results for reporting periods beginning after January 1, 2018 are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported under the accounting standards in effect for the prior period.

The adoption of ASC Topic 606 did not have an impact on the recognition of our primary sources of revenue, direct and agency title premiums, as those revenue streams are subject to the accounting and reporting requirements under ASC Topic 944. Timing of recognition of substantially all of our remaining revenue was also not impacted and we therefore did not record any cumulative effect adjustment to opening equity.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note J Revenue Recognition (Continued)***Disaggregation of Revenue*

Our revenue consists of:

Revenue Stream	Income Statement Classification	Segment	Three months ended March 31,	
			2018 Total Revenue (in millions)	2017 Total Revenue (in millions)
Revenue from insurance contracts:				
Title insurance premiums	Direct title insurance premiums; Agency title insurance premiums	Title	\$ 1,036	\$ 1,048
Home warranty	Escrow, title-related and other fees	Title	45	41
Total revenue from insurance contracts			1,081	1,089
Revenue from contracts with customers:				
Escrow fees	Escrow, title-related and other fees	Title	183	174
Other title-related fees and income	Escrow, title-related and other fees	Title	140	138
ServiceLink, excluding title premiums, escrow fees, and subservicing fees	Escrow, title-related and other fees	Title	94	106
Real estate brokerage	Escrow, title-related and other fees	Corporate and other	76	57
Real estate technology	Escrow, title-related and other fees	Corporate and other	25	15
Other	Escrow, title-related and other fees	Corporate and other	2	2
Total revenue from contracts with customers			520	492
Other revenue:				
Loan subservicing revenue	Escrow, title-related and other fees	Title	53	38
Interest and investment income	Interest and investment income	Various	38	28
Realized gains and losses, net	Realized gains and losses, net	Various	1	(4)
Total revenues	Total revenues		\$ 1,693	\$ 1,643

Our Direct title insurance premiums are recognized as revenue at the time of closing of the underlying transaction as the earnings process is then considered complete. Regulation of title insurance rates varies by state. Premiums are charged to customers based on rates predetermined in coordination with each states' respective Department of Insurance. Cash associated with such revenue is typically collected at closing of the underlying real estate transaction. Premium revenues from agency title operations are recognized when the underlying title order and transaction closing, if applicable, are complete and the agent has been invoiced.

Revenues from our home warranty business are generated from contracts with customers to provide warranty for major home appliances. Contracts are one year in length and revenue is recognized ratably over the term of the contract.

Escrow fees and Other title-related fees and income in our Title segment are closely related to Direct title insurance premiums and are primarily associated with managing the closing of real estate transactions including the processing of funds on behalf of the transaction participants, gathering and recording the required closing documents, providing notary and home inspection services, and other

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note J Revenue Recognition (Continued)**

real estate or title related activities. Revenue is primarily recognized upon closing of the underlying real estate transaction or completion of services. Cash associated with such revenue is typically collected at closing.

Revenues from our ServiceLink subsidiary, excluding its title premiums, escrow fees, and loan subservicing fees primarily include revenues from real estate appraisal services and foreclosure processing and facilitation services. Revenues from real estate appraisal services are recognized when all appraisal work is complete, a final report is issued to the client and the client is billed. Revenues from foreclosure processing and facilitation services are primarily recognized upon completion of the services and when billing to the client is complete.

Real estate brokerage revenues are primarily comprised of commission revenues earned in association with the facilitation of real estate transactions and are recognized upon closing of the sale of the underlying real estate transaction.

Real estate technology revenues are primarily comprised of subscription fees for use of software provided to real estate professionals. Subscriptions are only offered on a month-by-month basis and fees are billed monthly. Revenue is recognized in the month services are provided.

Loan subservicing revenues are generated by certain subsidiaries of ServiceLink and are associated with the servicing of mortgage loans on behalf of its customers. Revenue is recognized when the underlying work is performed and billed. Loan subservicing revenues are subject to the recognition requirements of ASC Topic 860.

Interest and investment income consists primarily of interest payments received on fixed maturity security holdings and dividends received on equity and preferred security holdings.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, primarily related to revenue from our home warranty business, and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Contract Balances

The following table provides information about receivables and deferred revenue:

	March 31,	December 31,
	2018	2017
	(In millions)	
Trade receivables	\$ 288	\$ 292
Deferred revenue (contract liabilities)	102	107

Deferred revenue is recorded primarily for our home warranty contracts. Revenues from home warranty products are recognized over the life of the policy, which is one year. The unrecognized portion is recorded as deferred revenue in accounts payable and other accrued liabilities in the Condensed Consolidated Balance Sheets. During the three months ended March 31, 2018, we recognized \$46 million of revenue which was included in deferred revenue at the beginning of the period.

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note K Discontinued Operations***Black Knight*

As a result of the BK Distribution, we have reclassified the financial results of Black Knight to discontinued operations for all periods presented in our Condensed Consolidated Statements of Operations for the three months ended March 31, 2017. We retained no ownership in Black Knight. Subsequent to the BK Distribution, Black Knight is considered a related party to FNF.

We have various agreements with Black Knight to provide technology, data and analytics services, as well as corporate shared services and information technology. We are also a party to certain other agreements under which we incur other expenses or receive revenues from Black Knight. We expect to continue utilizing Black Knight to provide technology and data and analytics services for the foreseeable future. The cash inflows and outflows from and to Black Knight as well as revenues and expenses included in continuing operations in the three months ended March 31, 2018 which were previously eliminated in our condensed consolidated financial statements as intra-entity transactions are not material to our results of operations.

A reconciliation of the operations of Black Knight to the Statement of Operations is shown below (in millions):

	Three months ended March 31, 2017 (Unaudited)
Revenues:	
Escrow, title-related and other fees	\$ 248
Realized gains and losses, net	(2)
Total revenues	246
Expenses:	
Personnel costs	101
Other operating expenses	45
Depreciation and amortization	53
Interest expense	15
Total expenses	214
Earnings from discontinued operations before income taxes	32
Income tax expense	10
Net earnings from discontinued operations	22
Less: Net earnings attributable to non-controlling interests	12
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 10
Cash flow from discontinued operations data:	
Net cash provided by operations	\$ 49
Net cash used in investing activities	(16)

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)

Note K Discontinued Operations (Continued)

FNFV

As a result of the FNFV Split-Off we have reclassified the financial results of FNFV Group to discontinued operations for the three months ended March 31, 2017 in our Consolidated Statements of Earnings. Subsequent to the FNFV Split-Off, Cannae is considered a related party to FNF. The cash inflows and outflows from and to Cannae as well as revenues and expenses included in continuing operations in the three months ended March 31, 2018 which were previously eliminated in our condensed consolidated financial statements as intra-entity transactions, are not material to our results of operations.

In conjunction with the FNFV Split-Off, FNTIC, Chicago Title, and Commonwealth Title contributed an aggregate of \$100 million to Cannae in exchange for 5,706,134 shares of Cannae common stock. As of March 31, 2018, we own approximately 8.1% of Cannae's outstanding common equity. In addition, we issued to Cannae a revolver note (the "Cannae Revolver") in the aggregate principal amount of up to \$100 million, which accrues interest at LIBOR plus 450 basis points and matures on the five-year anniversary of the date of the Cannae Revolver. The maturity date is automatically extended for additional five-year terms unless notice of non-renewal is otherwise provided by either FNF or Cannae, in their sole discretion. As of March 31, 2018, there is no outstanding balance under the Cannae Revolver.

In connection with the FNFV Split-Off, the following material agreements were entered into by and between the Company and Cannae (the "Split-Off Agreements"):

a Reorganization Agreement, dated as of November 17, 2017, by and between the Company and Cannae, which provides for, among other things, the principal corporate transactions required to effect the Split-Off, certain conditions to the Split-Off and provisions governing the relationship between the Company and Cannae with respect to and resulting from the Split-Off;

a Tax Matters Agreement, dated as of November 17, 2017, by and between the Company and Cannae, which governs the Company's and Cannae's respective rights, responsibilities and obligations with respect to taxes and tax benefits, the filing of tax returns, the control of audits and other tax matters; and

a Voting Agreement, dated as of November 17, 2017, by and between the Company and Cannae, pursuant to which the Company agrees to appear or cause all shares of Cannae common stock that the Company or its subsidiaries, as applicable, own after the Split-Off to be counted as present at any meeting of the stockholders of Cannae for the purpose of establishing a quorum, and agrees to vote all of such shares of Cannae common stock (or cause them to be voted) in the same manner as, and in the same proportion to, all shares voted by holders of Cannae common stock (other than the Company and its subsidiaries).

Table of Contents**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) (Continued)****Note K Discontinued Operations (Continued)**

A summary of the operations of FNFV included in discontinued operations is shown below:

	Three months ended March 31, 2017 (Unaudited)
Revenues:	
Escrow, title-related and other fees	\$ 49
Restaurant revenue	273
Interest and investment income	1
Realized gains and losses, net	5
Total revenues	328
Expenses:	
Personnel costs	46
Other operating expenses	25
Cost of restaurant revenue	236
Depreciation and amortization	16
Interest expense	4
Total expenses	327
Earnings from discontinued operations before income taxes	1
Income tax expense	(2)
Earnings from continuing operations before equity in (losses) earnings of unconsolidated affiliates	3
Equity in (losses) earnings of unconsolidated affiliates	(4)
Net earnings (loss) from discontinued operations	(1)
Less: Net earnings attributable to non-controlling interests	(2)
Net earnings attributable to Fidelity National Financial, Inc. common shareholders	\$ 1
Cash flow from discontinued operations data:	
Net cash provided by operations	\$ 15
Net cash used in investing activities	(27)

Reconciliation to Consolidated Financial Statements

A reconciliation of the net earnings of Black Knight and FNFV to the Statement of Earnings is shown below:

	Three months ended March 31, 2017 (Unaudited)
Earnings from discontinued operations attributable to Black Knight	\$ 22
Loss from discontinued operations attributable to FNFV	(1)
Net earnings from discontinued operations, net of tax	\$ 21

Explanation of Responses:



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AGREEMENT AND PLAN OF MERGER

dated as of

March 18, 2018

among

STEWART INFORMATION SERVICES CORPORATION,

FIDELITY NATIONAL FINANCIAL, INC.,

A HOLDCO CORP.

and

S HOLDCO LLC

THIS AGREEMENT MUST BE KEPT CONFIDENTIAL PURSUANT TO THE TERMS OF THE CONFIDENTIALITY AGREEMENT ENTERED INTO BY THE RECIPIENTS HEREOF WITH RESPECT TO THE SUBJECT MATTER HEREOF.

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AGREEMENT AND PLAN OF MERGER

AGREEMENT AND PLAN OF MERGER (this "**Agreement**") dated as of March 18, 2018 by and among Stewart Information Services Corporation, a Delaware corporation (the "**Company**"), Fidelity National Financial, Inc., a Delaware corporation ("**Parent**"), A Holdco Corp., a Delaware corporation and a wholly-owned direct subsidiary of Parent ("**Merger Sub I**"), and S Holdco LLC, a Delaware limited liability company and wholly-owned direct subsidiary of Parent ("**Merger Sub II**" and, together with Merger Sub I, the "**Merger Subs**").

WITNESSETH:

WHEREAS, the respective boards of directors or board of managers of the Company and each of the Merger Subs have approved and deemed it advisable that the respective equityholders of the Company and the Merger Subs approve and adopt this Agreement pursuant to which, among other things, Parent would acquire the Company by means of (i) a merger of Merger Sub I with and into the Company ("**Merger I**"), with the Company surviving Merger I as a direct wholly-owned subsidiary of Parent, and (ii) a merger of Company with and into Merger Sub II ("**Merger II**", and, together with Merger I, the "**Mergers**"), with Merger Sub II surviving Merger II as a direct wholly-owned subsidiary of Parent, in each case on the terms and subject to the conditions set forth in this Agreement.

WHEREAS, for U.S. federal income Tax purposes, it is intended that, to the extent consistent with Applicable Law, (i) the Mergers be treated as a single integrated transaction that qualifies as a "reorganization" under provisions of Section 368(a) of the Code (a "**368 Reorganization**") and (ii) this Agreement constitutes a "plan of reorganization" for purposes of Sections 368, 354 and 361 of the Code.

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

ARTICLE 1
DEFINITIONS

Section 1.01. Definitions. (a) As used herein, the following terms have the following meanings:

"**1933 Act**" means the Securities Act of 1933.

"**1934 Act**" means the Securities Exchange Act of 1934.

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement, any transaction or series of related transactions, including any offer or proposal, relating to (i) any acquisition or purchase, direct or indirect, of assets representing twenty-five percent (25%) or more of the consolidated earning power of the Company and its Subsidiaries or twenty-five percent (25%) or more of any class of equity or voting securities of the Company or any of its Subsidiaries whose assets, individually or in the aggregate, constitute twenty-five percent (25%) or more of the consolidated earning power of the Company and its Subsidiaries (taken together), (ii) any tender offer (including a self-tender offer) or exchange offer that, if consummated, would result in such Third Party's beneficially owning twenty-five percent (25%) or more of any class of equity or voting securities of the Company or any of its Subsidiaries whose assets, individually or in the aggregate, constitute twenty-five percent (25%) or more of the consolidated earning power of the Company and its Subsidiaries (taken together) or (iii) a merger, consolidation, amalgamation, share exchange, business combination, joint venture, sale of substantially all the assets, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving the Company or any of its Subsidiaries whose assets, individually or in the aggregate, constitute twenty-five percent (25%) or more of the consolidated earning power of the Company and its Subsidiaries (taken together).

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"**Affiliate**" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person.

"**Antitrust Law**" means all Applicable Law relating to anti-trust, anti-monopoly, merger control or competition.

"**Applicable Law**" means, with respect to any Person, any domestic or foreign federal, state or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person.

"**Business Day**" means a day, other than Saturday, Sunday or other day on which commercial banks in Houston, Texas or New York, New York are authorized or required by Applicable Law to close.

"**Code**" means the Internal Revenue Code of 1986.

"**Company Balance Sheet**" means the consolidated balance sheet of the Company as of December 31, 2017 and the footnotes thereto set forth in the Company 10-K.

"**Company Common Stock**" means the common stock, \$1.00 par value per share, of the Company.

"**Company Disclosure Schedule**" means the disclosure schedule dated the date hereof regarding this Agreement that has been provided by the Company to Parent and the Merger Subs.

"**Company Employee**" means an employee of the Company or any of its Subsidiaries.

"**Company Employee Plan**" means any material (i) "employee benefit plan" as defined in Section 3(3) of ERISA, (ii) employment or consulting agreement, or severance, change in control, transaction bonus, retention or similar agreement or arrangement, or (iii) other plan, agreement, arrangement, program or policy, providing for bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, medical, dental, vision, prescription or fringe benefits, life insurance, relocation, disability or sick leave benefits, post-employment or retirement benefits (including pension, health, medical or insurance benefits), in each case, whether or not subject to ERISA, that is sponsored, maintained, administered, contributed to (or required to be contributed to) or entered into by the Company or any of its Subsidiaries for the current or future benefit of any current or former Company Employee, director or independent contractor, or with respect to which the Company or any of its Subsidiaries has any liability (contingent or otherwise).

"**Company Material Adverse Effect**" means a material adverse effect on (a) the financial condition, business or results of operations of the Company and its Subsidiaries, taken as a whole; *provided, however*, that the following shall not be deemed to constitute a Company Material Adverse Effect (and shall not be taken into account in determining whether a Company Material Adverse Effect has occurred or would reasonably be expected to occur): (i) changes in GAAP or the interpretation thereof, (ii) changes in economic, political, regulatory, legal or tax conditions in the United States or any other country or region in which the Company or any of its Subsidiaries has material operations, including changes in financial, credit, securities or currency markets (including changes in interest or exchange rates), (iii) changes in conditions generally affecting the industries in which the Company or any of its Subsidiaries operates, (iv) changes in Applicable Law or the interpretation thereof, (v) acts of war, sabotage, terrorism, cyberattacks or natural disasters, (vi) the execution, delivery and performance of this Agreement or the announcement or consummation of the transactions contemplated by this Agreement, including the impact of any of the foregoing on the relationships, contractual or otherwise, of the Company and any of its Subsidiaries with customers, suppliers, service providers, employees, Governmental Authorities or any other Persons and any stockholder or derivative litigation relating to the execution, delivery and performance of this Agreement or the announcement or consummation of

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the transactions contemplated by this Agreement (*provided* that the exception in this clause (vi) shall not apply to "Company Material Adverse Effect" as used in Section 4.03, Section 4.04, or Section 9.02(a) to the extent relating to Section 4.03 or Section 4.04), (vii) any failure by the Company or any of its Subsidiaries to meet any internal or published budgets, projections, forecasts or predictions of financial performance for any period (it being understood that any underlying facts giving rise or contributing to such failure that are not otherwise excluded from the definition of a "Company Material Adverse Effect" may be taken into account in determining whether there has been a Company Material Adverse Effect), (viii) any actions taken (or omitted to be taken) to the extent taken (or omitted to be taken) at the request of Parent or either of the Merger Subs, (ix) changes in the price and/or trading volume of the Company Common Stock or any other securities of the Company on the NYSE or any other market in which such securities are quoted for purchase and sale or changes in the credit ratings of the Company (it being understood that any underlying facts giving rise or contributing to such changes that are not otherwise excluded from the definition of a "Company Material Adverse Effect" may be taken into account in determining whether there has been a Company Material Adverse Effect) or (x) any actions taken (or omitted to be taken) by the Company or any of its Subsidiaries that are required, contemplated or permitted to be taken (or omitted to be taken) pursuant to this Agreement, including any actions required under this Agreement to obtain any approvals, consents, registrations, permits, authorizations and other confirmations under applicable antitrust or competition laws for the consummation of the Merger; *provided, however*, that the exceptions set forth in clauses (i), (ii), (iii) or (iv) of the foregoing proviso shall not apply to the extent the Company and its Subsidiaries, taken as a whole, are materially and disproportionately impacted thereby relative to other entities operating in the same industry or industries in which the Company and its Subsidiaries operate (in which case the incremental material and disproportionate impact or impacts may be taken into account in determining whether there has been a Company Material Adverse Effect), or (b) the ability of the Company to consummate the transactions contemplated by this Agreement.

"**Company Stock Plan**" means the Stewart Information Services Corporation 2005 Long Term Incentive Plan, as amended, and the Stewart Information Services Corporation 2014 Long Term Incentive Plan.

"**Company 10-K**" means the Company's annual report on Form 10-K for the fiscal year ended December 31, 2017.

"**DGCL**" means the General Corporation Law of the State of Delaware.

"**DLLCA**" means the Delaware Limited Liability Company Act.

"**Environmental Laws**" means any and all statutes, laws, regulations or rules that have as their principal purpose the protection of the environment.

"**ERISA**" means the Employee Retirement Income Security Act of 1974.

"**ERISA Affiliate**" with respect to an entity means any other entity that, together with such first entity, would be treated as a single employer under Section 414 of the Code.

"**FTC**" means the Federal Trade Commission.

"**Fundamental Representations**" means the representations and warranties set forth in Sections 4.01, 4.02, 4.05(c), 4.22, 5.01, 5.02, 5.05(c) and 5.17.

"**GAAP**" means generally accepted accounting principles in the United States.

"**Governmental Authority**" means any transnational, domestic or foreign federal, state or local governmental, regulatory or administrative authority (including, for the avoidance of doubt, the National Association of Insurance Commissioners), department, court, agency or official, including any political subdivision thereof.

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"**HSR Act**" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

"**Insurance Department**" means, in any jurisdiction, the Governmental Authority primarily charged with the regulation of the business of insurance in such jurisdiction.

"**Insurance Law**" means all Applicable Law relating to business and products of insurance.

"**Intellectual Property**" means trademarks, service marks, trade names, domain names, mask works, inventions, patents, trade secrets, copyrights, know-how (including any registrations or applications for registration of any of the foregoing) or any other similar type of proprietary intellectual property rights.

"**Intervening Event**" means any event, development or change in circumstances material to the Company and its Subsidiaries taken as a whole that was (i) not known to or reasonably foreseeable by the Board of Directors as of the date of this Agreement (that does not relate to any Acquisition Proposal) or (ii) known to the Board of Directors as of the date of this Agreement but the consequences of which (or the magnitude of such consequences) were not known to or reasonably foreseeable by the Board of Directors as of the date of this Agreement (that does not relate to any Acquisition Proposal), in each case (A) which event, development or change in circumstance, or any consequences (or the magnitude of such consequences) thereof, becomes known to the Board of Directors prior to the adoption of this Agreement by the Company Stockholder Approval and (B) does not relate to any changes in the market price or trading volume of Parent (it being understood that with respect to clause (B) the facts or occurrences giving rise or contributing to such change or event may be taken into account when determining whether an Intervening Event has occurred).

"**knowledge**" means (i) with respect to the Company, the actual knowledge of the individuals listed on Section 1.01(a)(i) of the Company Disclosure Schedule following reasonable inquiry and (ii) with respect to Parent, the actual knowledge of the individuals listed on Section 1.01(a)(i) of the Parent Disclosure Schedule following reasonable inquiry.

"**Lien**" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance in respect of such property or asset.

"**Multiemployer Plan**" means a "multiemployer plan" as defined in Section 3(37) of ERISA.

"**Non-Competition Provision**" means any provision in an agreement to which the Company or any of its Subsidiaries is a party as of the date hereof and/or as of the Closing that restricts or precludes the Company, any of its Subsidiaries or which has the potential to, following the Closing, restrict or preclude Parent or any of Parent's Subsidiaries, from competing with other participants in the business in which the Company or any of its Subsidiaries operates.

"**NYSE**" means the New York Stock Exchange.

"**Parent Common Stock**" means the FNF Group common stock, par value of \$0.0001 per share, of Parent.

"**Parent Disclosure Schedule**" means the disclosure schedule dated the date hereof regarding this Agreement that has been provided by Parent to the Company.

"**Parent Employee**" means an employee of the Parent or any of its Subsidiaries.

"**Parent Employee Plan**" means any material (i) "employee benefit plan" as defined in Section 3(3) of ERISA, (ii) employment or consulting agreement, or severance, change in control, transaction bonus, retention or similar agreement or arrangement, or (iii) other plan, agreement, arrangement, program or policy, providing for bonuses, profit-sharing, equity or equity-based compensation or other forms of incentive or deferred compensation, medical, dental, vision, prescription or fringe benefits, life insurance, relocation, disability or sick leave benefits, post-employment or retirement benefits (including pension, health, medical or insurance benefits), in

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each case, whether or not subject to ERISA, that is sponsored, maintained, administered, contributed to (or required to be contributed to) or entered into by Parent or any of its Subsidiaries for the current or future benefit of any current or former Parent Employee, director or independent contractor, or with respect to which Parent or any of its Subsidiaries has any liability (contingent or otherwise).

"Parent Material Adverse Effect" means a material adverse effect on (a) the financial condition, business or results of operations of Parent and its Subsidiaries, taken as a whole; *provided, however*, that the following shall not be deemed to constitute a Parent Material Adverse Effect (and shall not be taken into account in determining whether a Parent Material Adverse Effect has occurred or would reasonably be expected to occur): (i) changes in GAAP or the interpretation thereof, (ii) changes in economic, political, regulatory, legal or tax conditions in the United States or any other country or region in which Parent or any of its Subsidiaries has material operations, including changes in financial, credit, securities or currency markets (including changes in interest or exchange rates), (iii) changes in conditions generally affecting the industries in which Parent or any of its Subsidiaries operates, (iv) changes in Applicable Law or the interpretation thereof, (v) acts of war, sabotage, terrorism, cyberattacks or natural disasters, (vi) the execution, delivery and performance of this Agreement or the announcement or consummation of the transactions contemplated by this Agreement, including the impact of any of the foregoing on the relationships, contractual or otherwise, of Parent and any of its Subsidiaries with customers, suppliers, service providers, employees, Governmental Authorities or any other Persons and any stockholder or derivative litigation relating to the execution, delivery and performance of this Agreement or the announcement or consummation of the transactions contemplated by this Agreement (*provided* that the exception in this clause (vi) shall not apply to "Parent Material Adverse Effect" as used in Section 5.03, Section 5.04, or Section 9.03(a) to the extent relating to Section 5.03 or Section 5.04), (vii) any failure by Parent or any of its Subsidiaries to meet any internal or published budgets, projections, forecasts or predictions of financial performance for any period (it being understood that any underlying facts giving rise or contributing to such failure that are not otherwise excluded from the definition of a "Parent Material Adverse Effect" may be taken into account in determining whether there has been a Parent Material Adverse Effect), (viii) any actions taken (or omitted to be taken) to the extent taken (or omitted to be taken) at the request of the Company, (ix) changes in the price and/or trading volume of the Parent Common Stock or any other securities of Parent on the NYSE or any other market in which such securities are quoted for purchase and sale or changes in the credit ratings of Parent (it being understood that any underlying facts giving rise or contributing to such changes that are not otherwise excluded from the definition of a "Parent Material Adverse Effect" may be taken into account in determining whether there has been a Parent Material Adverse Effect) or (x) any actions taken (or omitted to be taken) by Parent or any of its Subsidiaries that are required, contemplated or permitted to be taken (or omitted to be taken) pursuant to this Agreement, including any actions required under this Agreement to obtain any approvals, consents, registrations, permits, authorizations and other confirmations under applicable antitrust or competition laws for the consummation of the Merger; *provided, however*, that the exceptions set forth in clauses (i), (ii), (iii) or (iv) of the foregoing proviso shall not apply to the extent Parent and its Subsidiaries, taken as a whole, are materially and disproportionately impacted thereby relative to other entities operating in the same industry or industries in which Parent and its Subsidiaries operate (in which case the incremental material and disproportionate impact or impacts may be taken into account in determining whether there has been a Parent Material Adverse Effect), or (b) the ability of Parent to consummate the transactions contemplated by this Agreement.

"Parent 10-K" means Parent's annual report on Form 10-K for the fiscal year ended December 31, 2017.

"PBGC" means the Pension Benefit Guaranty Corporation.

"Permitted Lien" means (a) Liens for Taxes, assessments and governmental charges or levies not yet delinquent or that are being contested in good faith through appropriate proceedings and for which

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adequate reserves are maintained on the consolidated financial statements included in the Company SEC Documents filed prior to the date hereof in accordance with GAAP; (b) materialmen's, warehousemen's, mechanics', carriers', workmen's, repairmen's liens and any statutory or other similar Liens arising or incurred in the ordinary course of business by operation of Applicable Law with respect to a liability that is not yet due or delinquent or being contested in good faith; (c) pledges or deposits to secure obligations under workers' compensation laws or similar legislation or to secure public or statutory obligations; (d) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business consistent with past practice; (e) all matters set forth in the title insurance policies for owned real property provided to Parent; (f) Liens (other than Liens created by the Company or any of its Subsidiaries securing indebtedness for borrowed money), defects or irregularities in title, easements, rights-of-way, declarations, covenants, restrictions and other similar matters that would not, individually or in the aggregate, reasonably be expected to materially impair the continued business operations of the Company and its Subsidiaries, taken as a whole; (g) all applicable zoning, entitlement, conservation restrictions, building and similar codes and regulations and other land use regulations; (h) Liens to be released at or prior to Closing; (i) Liens in the ordinary course of business consistent with past practice securing obligations in respect of short-term revolving lines of credit with sponsor banks in effect as of the date hereof; (j) Liens relating to intercompany borrowings among a Person and its wholly-owned subsidiaries or (to the extent arising in the ordinary course of business) its other Subsidiaries; (k) Liens set forth on Section 1.01(a)(ii) of the Company Disclosure Schedule; (l) any state of facts a current survey of the real property would show; (m) with respect to any leased real property, any statutory or contractual Liens of landlords or Liens affecting the landlord's interests or underlying fee interest; and (n) Liens arising under original purchase price conditional sales contracts and equipment leases with third parties entered into in the ordinary course of business as set forth on Section 1.01(a)(iii) of the Company Disclosure Schedule.

"**Person**" means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

"**Required Antitrust Regulatory Filings/Approvals**" means the expiration or termination of the waiting period under the HSR Act and the filings, consents, approvals, authorizations, clearances or other actions under any other applicable competition law set forth on *Annex B*.

"**Required Insurance Regulatory Filings/Approvals**" means the filings and approvals set forth on *Annex A*.

"**Sarbanes-Oxley Act**" means the Sarbanes-Oxley Act of 2002.

"**SEC**" means the Securities and Exchange Commission.

"**Subsidiary**" means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at any time directly or indirectly owned by such Person.

"**Tax**" means (i) all income, excise, gross receipts, ad valorem, value-added, sales, goods and services, employment, franchise, profits, gains, property, transfer, stamp, use, payroll, intangibles, escheat or unclaimed property, or other taxes of any kind whatsoever (whether payable directly or by withholding) or other like assessment or charge of any kind whatsoever (including withholding on amounts paid to or by any Person), together with any interest, penalty, addition to tax or additional amount imposed by any Taxing Authority and (ii) any liability of another Person in respect of any item described in clause (i) hereof arising under any allocation, assignment or indemnification agreements relating to tax (other than agreements entered into in the ordinary course of business or commercial agreements, in each case, the primary purposes of which do not relate to Tax), transferee or successor liability or Treasury Regulation Section 1.1502-6 (or any analogous provision of applicable Tax law).

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"Tax Return" means any report, return, document, declaration or other information or filing (including elections, disclosures, schedules, estimates, and claims for refunds) required to be supplied to any Taxing Authority with respect to Taxes, including information returns and any documents with respect to or accompanying payments of estimated Taxes.

"Taxing Authority" means any Governmental Authority (domestic or foreign) responsible for the imposition or collection of any Tax.

"Third Party" means any Person, including as defined in Section 13(d) of the 1934 Act, other than the Company, Parent or any of their respective Affiliates.

"Triggering Divestiture" means any sale, divestiture, disposition or hold separate, solely to the extent necessary to fulfill the conditions set forth in Section 9.01(b), Section 9.01(c) or Section 9.01(d), of businesses, product lines, assets, title plants or rights to title plants of Parent, the Company or any of their respective Subsidiaries.

"Triggering Event" shall be deemed to have occurred if: (a) the Board of Directors or any committee thereof authorized to do so by the Board of Directors shall have made an Adverse Recommendation Change; (b) the Company shall have failed to include in the Proxy Statement the recommendation of the Board of Directors that the Company's stockholders approve and adopt this Agreement; (c) a tender or exchange offer relating to shares of the Company Common Stock shall have been commenced and the Board of Directors fails, within ten (10) Business Days after the commencement of such tender or exchange offer (or, if earlier, prior to the Company Stockholders Meeting), to have recommended rejection of such tender or exchange offer and to have reaffirmed its recommendation that the Company's stockholders approve and adopt this Agreement; (d) an Acquisition Proposal is publicly announced, and the Board of Directors fails to publicly reaffirm its recommendation that the Company's stockholders approve and adopt this Agreement within ten (10) Business Days (or, if earlier, prior to the Company Stockholders Meeting) after such Acquisition Proposal is publicly announced; or (e) the Company shall have committed a Willful Breach of any of the provisions set forth in Section 6.03.

"Willful Breach" means, with respect to any Person, a material breach of this Agreement by such Person that is a consequence of an act or omission by such Person taken with the knowledge of such Person that, or in circumstances where such Person should reasonably have known that, taking such act or failure to take such act would be a material breach of this Agreement. For the avoidance of doubt, the failure of Parent to have at the Closing the requisite funds or shares of Parent Common Stock required to pay the Merger Consideration shall constitute a Willful Breach.

(b) Each of the following terms is defined in the Section set forth opposite such term:

Term	Section
368 Reorganization	Recitals
Adverse Recommendation Change	6.03(a)(iii)
Agreement	Preamble
Aggregate Cash Election Amount	2.02(a)(ii)
Available Cash Election Amount	2.02(a)(vi)
Board of Directors	4.02(b)
Cash Electing Share	2.02(a)(ii)
Cash Election	2.02(a)(ii)
Cash Portion	2.02(a)(ii)
Cash Substitution Amount	2.02(a)(iii)
Certificates	2.03(b)
Closing	2.01(c)
Closing Date	2.01(c)

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Term	Section
Company	Preamble
Company Balance Sheet Date	4.10(a)
Company Board Recommendation	4.02(b)(iii)
Company Board Recommendation Notice	6.03(c)(i)(A)
Company Equity Awards	2.06(e)
Company Financial Statements	4.08
Company Intellectual Property Rights	4.15(a)
Company IT Systems	4.15(e)
Company PSA	2.06(d)
Company PSU	2.06(e)
Company RSA	2.06(a)
Company SEC Documents	4.07(a)
Company Securities	4.05(b)
Company Stockholder Approval	4.02(a)
Company Stockholder Meeting	6.02
Company Subsidiary Securities	4.06(b)
Confidentiality Agreement	6.03(b)(i)(B)
Continuation Period	7.05(a)
Continuing Employee	7.05(a)
Convertible Notes	5.05(a)
D&O Insurance	7.04(d)
Dissenting Share	2.05
Divested Revenues	2.02(b)
Divested Revenues Notice	2.11(a)
Divested Revenues Dispute Notice	2.11(b)
DOJ	8.01(d)
Effective Time	2.01(d)
Election Deadline	2.03(b)
End Date	10.01(b)(i)
Enforceability Exceptions	4.02(a)
Exchange Agent	2.03(b)
Exchange Fund	2.04(a)
Exchange Ratio	2.02(b)
Excluded Share	2.02(c)
FNF Preferred Stock	5.05(a)
FNFV Common Stock	5.05(a)
Form of Election	2.03(b)
Indemnified Person	7.04(a)
Independent Accountant	2.11(d)
Initial Surviving Entity	2.01(a)
Insurance Contracts	4.21(e)(i)
Insurance Subsidiary	4.21(a)
Lease	4.14(b)(i)
Legal Restraint	9.01(b)
Material Contract	4.20(a)
Merger I	Recitals
Merger II	Recitals
Mergers	Recitals
Merger Consideration	2.02(a)
Merger Sub I	Preamble
Merger Sub II	Preamble

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Term	Section
Merger Subs	Preamble
Mixed Consideration Electing Share	2.02(a)(i)
Mixed Election	2.02(a)(i)
Mixed Election Cash Consideration	2.02(a)(i)
Mixed Election Consideration	2.02(a)(i)
Mixed Election Stock Consideration	2.02(a)(i)
Non-Compete Contract	4.20(c)
Non-Electing Share	2.03(b)
Notice Period	6.03(c)(ii)
Parent	Preamble
Parent 401(k) Plan	5.05(b)
Parent Balance Sheet Date	5.10(a)
Parent ESPP	5.05(a)
Parent Financial Statements	5.08
Parent Insurance Contracts	5.22(d)
Parent Insurance Subsidiary	5.22(a)
Parent PSU	2.06(f)
Parent RSU	2.06(c)
Parent SEC Documents	5.07(a)
Parent Securities	5.05(b)
Parent Share Price	2.02(b)
Parent Statutory Statements	5.22(c)
Parent Stock Plans	5.05(a)
Parent Subsidiary Securities	5.06(b)
Per Share Cash Reduction Amount	2.02(b)
Per Share Price	2.02(b)
Permits	4.21(a)
Process Agent	11.08(b)
Proxy Statement	4.09
Registration Statement	4.09
Reinsurance Contract	4.21(h)
Remedial Action	8.01(e)
Representatives	6.03(a)
Retention Plan	6.06
Reverse Termination Fee	11.04(b)(ii)(B)
SAP	4.21(c)
Specified Transaction Matters	6.05
Statutory Statements	4.21(c)
Stock Election	2.02(a)(iii)
Stock Election Consideration	2.02(a)(iii)
Stock Electing Share	2.02(a)(iii)
Subsequent Effective Time	2.01(d)
Superior Proposal	6.03(d)
Surviving Entity	2.01(b)
Takeover Statute	4.24
Termination Fee	11.04(b)(i)(A)
Transaction Committee	6.05
Transaction Litigation	8.09
Uncertificated Shares	2.03(b)
20-Day VWAP	2.02(b)

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Section 1.02. *Other Definitional and Interpretative Provisions.* The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof. References to Articles, Sections, Exhibits and Schedules are to Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any capitalized terms used in any Exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. References to any Applicable Law shall be deemed to refer to such Applicable Law as amended from time to time and, if applicable, to any rules or regulations promulgated thereunder. References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. References to any Person include the successors and permitted assigns of that Person. References from or through any date mean, unless otherwise specified, from and including or through and including, respectively.

ARTICLE 2
THE MERGERS

Section 2.01. *The Mergers.* (a) At the Effective Time, Merger I shall be effected pursuant to which Merger Sub I will be merged with and into the Company in accordance with the DGCL, whereupon the separate existence of Merger Sub I shall cease, and the Company shall be the surviving corporation (the "**Initial Surviving Entity**").

(b) Immediately following the Effective Time and at the Subsequent Effective Time, Merger II shall be effected pursuant to which the Initial Surviving Entity shall be merged with and into Merger Sub II in accordance with the DGCL and the DLLCA, whereupon the separate existence of the Initial Surviving Entity shall cease, and Merger Sub II shall be the surviving company (the "**Surviving Entity**") and a wholly-owned Subsidiary of Parent.

(c) Subject to the provisions of Article 9, the closing of the Mergers (the "**Closing**") shall take place in New York City at the offices of Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York, 10017 as soon as possible, but in any event no later than two (2) Business Days after the date the conditions set forth in Article 9 (other than conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or, to the extent permissible, waiver of those conditions at the Closing) have been satisfied or, to the extent permissible, waived by the party or parties entitled to the benefit of such conditions, or at such other place, at such other time or on such other date as Parent and the Company may mutually agree (such date of Closing, the "**Closing Date**").

(d) At the Closing, the Company and Merger Sub I shall file a certificate of merger with the Delaware Secretary of State and make all other filings or recordings required by the DGCL in connection with Merger I, and the Initial Surviving Entity and Merger Sub II shall file a certificate of merger with the Delaware Secretary of State and make all other filings or recordings required by the DGCL and the DLLCA in connection with Merger II. Merger I shall become effective at such time (the "**Effective Time**") as the certificate of merger with respect to Merger I is duly filed with the Delaware Secretary of State (or at such later time as may be specified in such certificate of merger). Merger II shall become effective immediately following the Effective Time at such

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time (the "**Subsequent Effective Time**") as the certificate of merger with respect to Merger II is duly filed with the Delaware Secretary of State (or at such later time as may be agreed to by the parties and specified in such certificate of merger).

(e) From and after the Effective Time, and until the Subsequent Effective Time, the Initial Surviving Entity shall possess all the rights, powers, privileges and franchises and be subject to all of the obligations, liabilities, restrictions and disabilities of the Company and Merger Sub I, all as provided under the DGCL. From and after the Subsequent Effective Time, the Surviving Entity shall possess all the rights, powers, privileges and franchises and be subject to all of the obligations, liabilities, restrictions and disabilities of the Initial Surviving Entity and Merger Sub II, all as provided under the DGCL and the DLLCA.

Section 2.02. *Conversion of Shares.*

(a) At the Effective Time, as a result of Merger I and without any action on the part of the holder of any capital stock of the Company, Parent or either Merger Sub, except as otherwise provided in Section 2.02(c) or Section 2.05, each share of Company Common Stock outstanding immediately prior to the Effective Time shall be converted into the right to receive the following consideration, without interest thereon (the "**Merger Consideration**"):

(i) Each share of Company Common Stock with respect to which an election to receive a combination of stock and cash (a "**Mixed Election**") has been properly made and not revoked pursuant to Section 2.03(c) (each, a "**Mixed Consideration Electing Share**") and each Non-Electing Share shall be converted into the right to receive (A) a number of validly issued, fully paid and nonassessable shares of Parent Common Stock (the "**Mixed Election Stock Consideration**") equal to the product (rounded to the nearest four decimal places) of (w) the Exchange Ratio and (x) 0.50 and (B) an amount in cash, without interest, equal to the product (rounded to the nearest two decimal places) of (y) the Per Share Price and (z) 0.50 (the "**Mixed Election Cash Consideration**" and, together with the Mixed Election Stock Consideration, the "**Mixed Election Consideration**");

(ii) Each share of Company Common Stock with respect to which an election to receive cash (a "**Cash Election**") has been properly made and not revoked pursuant to Section 2.03(c) (each, a "**Cash Electing Share**") shall be converted into the right to receive an amount in cash, without interest, equal to the Per Share Price; *provided* that if the product of the number of Cash Electing Shares and the Per Share Price (such product, the "**Aggregate Cash Election Amount**") exceeds the Available Cash Election Amount, then each Cash Electing Share shall be converted into the right to receive (1) an amount in cash, without interest, equal to the product (rounded to the nearest two decimal places) of (w) the Per Share Price and (x) a fraction, the numerator of which shall be the Available Cash Election Amount and the denominator of which shall be the Aggregate Cash Election Amount (such amount of cash, the "**Cash Portion**") and (2) a number of validly issued, fully paid and nonassessable shares of Parent Common Stock equal to a fraction (rounded to the nearest four decimal places), the numerator of which shall be an amount equal to the Per Share Price *minus* the Cash Portion and the denominator of which shall be the Parent Share Price; and

(iii) Each share of Company Common Stock with respect to which an election to receive stock consideration (a "**Stock Election**") has been properly made and not revoked pursuant to Section 2.03(c) (each, a "**Stock Electing Share**") shall be converted into the right to receive a number of validly issued, fully paid and nonassessable shares of Parent Common Stock equal to the Exchange Ratio (the "**Stock Election Consideration**"); *provided* that if the Available Cash Election Amount exceeds the Aggregate Cash Election Amount, then each Stock Electing Share shall be converted into the right to receive (x) an amount in cash (rounded to the nearest two decimal places), without interest, equal to (1) the amount by which the

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Available Cash Election Amount exceeds the Aggregate Cash Election Amount, divided by (2) the number of Stock Electing Shares (such amount of cash, the "**Cash Substitution Amount**") and (y) a number of validly issued, fully paid and nonassessable shares of Parent Common Stock equal to the quotient (rounded to the nearest four decimal places) obtained by dividing (a) an amount equal to the Per Share Price minus the Cash Substitution Amount by (b) the Parent Share Price.

(iv) At the Effective Time, all such shares of Company Common Stock (other than Excluded Shares) shall no longer be outstanding and shall automatically be cancelled and retired and shall cease to exist, and (A) each Certificate formerly representing any of the shares of Company Common Stock (other than Excluded Shares) and (B) each book-entry account formerly representing any Uncertificated Shares (other than Excluded Shares) shall thereafter represent only the right to receive the Merger Consideration, any distributions or dividends payable pursuant to Section 2.04(h) and cash in lieu of any fractional shares of Parent Common Stock payable pursuant to Section 2.07, without interest, in each case to be issued or paid in consideration therefor upon surrender of such Certificate in accordance with Section 2.04, in the case of certificated shares of Company Common Stock, and automatically in the case of Uncertificated Shares, and each Certificate and Uncertificated Share formerly representing shares of Company Common Stock owned by Dissenting Shareholders shall thereafter represent only the rights granted to Dissenting Shareholders under Delaware Law.

(v) Maximum Merger Consideration. For the avoidance of doubt:

(A) Subject to Section 2.13, the Mixed Election Cash Consideration shall not exceed fifty percent (50%) of the Per Share Price; and

(B) The aggregate amount of cash paid (not including cash paid pursuant to Section 2.07), and the aggregate number of shares of Parent Common Stock issued, to all of the holders of Company Common Stock pursuant to this Section 2.02(a) shall not exceed the aggregate amount of cash that would have been paid (not including cash that would have been paid pursuant to Section 2.07), and the aggregate number of shares of Parent Common Stock that would have been issued, to all of the holders of shares of Company Common Stock had the Mixed Election been made with respect to each share of Company Common Stock.

(vi) The term "**Available Cash Election Amount**" means the difference between (1) the product of the Mixed Election Cash Consideration and the total number of shares of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than Excluded Shares) minus (2) the product of the number of Mixed Consideration Electing Shares (including any Non-Electing Shares and Dissenting Shares) and the Mixed Election Cash Consideration.

(b) As used herein, the following terms have the following meanings:

"**Divested Revenues**" means the revenues generated during the fiscal year ended December 31, 2017, as determined in accordance with Section 2.12, by any title plants, rights to title plants, businesses or assets that are sold, divested, disposed or held separate, or that are agreed to be sold, divested, disposed or held separate, in a Triggering Divestiture, subject to the following:

(i) for purposes of determining the amount of Divested Revenues, no title insurance premium revenues arising from title plants or rights to title plants that are required to be (A) licensed to a third party for which Parent will, after such licensure, or conveyance or transfer of such title plant interest (or copy thereof), continue to own the underlying title plants or rights to title plants that are licensed will be included in Divested Revenues *provided* that in

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the event that the Parent or Company is required to license an interest in any such title plant or right to title plant that is a jointly owned title plant whose governing documents would, after such licensure, or conveyance or transfer of such title plant interest (or copy thereof), prohibit Parent from using title plant data from such title plant to serve any of the Company's existing brands, the lost title insurance premium revenues arising therefrom shall not be deemed excluded from Divested Revenues by virtue of this clause (A) (but subject to clause (B)), or (B) divested or licensed to a third party will be included in Divested Revenues if Parent is able, or would be able, through the use of commercially reasonable efforts, to procure prior to the Closing an alternative, competitively comparable, title plant or source of title plant data in such county (including, but not limited to, the licensure of title plant or title plant data from a third party at Parent's reasonable expense) in order to prevent the loss of title insurance premium revenues from such title plant license or divestiture;

(ii) if Parent is required to, or reasonably expected to be required to, sell, divest, dispose of, license or hold separate any business, asset or title plant in a county in which both the Company and/or one or more of its Subsidiaries, on the one hand, and Parent and/or one or more of its Subsidiaries, on the other, own a competing business, asset or title plant (as applicable), whether in whole or in part, then the Divested Revenues that shall be deemed to be generated from the business, asset or title plant to be sold, divested, disposed of, licensed or held separate in such county shall be the revenues generated in respect of the applicable business, asset or title plant (as applicable) with the lower amount of consolidated revenue as between the Company and its Subsidiaries, on the one hand, and Parent and its Subsidiaries, on the other, irrespective of which business, asset or title plant that Parent elects to sell, divest, dispose of, license or hold separate in such county; *provided* that if the FTC or any other Governmental Authority requires that Parent sell, divest, dispose of, license or hold separate the business, asset or title plant in such county with the higher amount of consolidated revenues (as between the Company and Parent), then such higher amount of consolidated revenues shall constitute the Divested Revenues for such business, asset or title plant sold, divested, disposed or held separate; and

(iii) if the FTC or any other Governmental Authority requires that Parent or the Company sell, divest, dispose of, license or hold separate a title plant within a given county in which one of the Company or Parent utilizes a wholly owned title plant and the other utilizes a jointly owned title plant, Parent shall have the right to determine whether to sell, divest, dispose of, license or hold separate the jointly owned title plant or the wholly owned title plant; *provided* that the Divested Revenues that shall be deemed to be generated from such title plant sold, divested, disposed or held separate shall be the revenues generated in respect of the applicable title plant with the lower amount of consolidated revenue as between the wholly owned and jointly owned title plant, irrespective of which title plant Parent elects to divest sell, divest, dispose of, license or hold separate; *provided, further*, that if the FTC or any other Governmental Authority requires that Parent sell, divest, dispose of, license or hold separate the title plant in such county with the higher amount of consolidated revenues (as between the wholly owned and jointly owned title plant), then such higher amount of consolidated revenues shall constitute the Divested Revenues for such title plant sold, divested, disposed or held separate.

"Exchange Ratio" means the quotient (rounded to the nearest four decimal places) obtained by dividing (a) the Per Share Price by (b) the Parent Share Price, which, if the Per Share Price equals \$50.00, the parties agree shall be 1.2850, subject to further adjustment pursuant to this Section 2.02.

"Parent Share Price" means an amount equal to the 20-Day VWAP of the Parent Common Stock as of the date hereof, which the parties agree shall be \$38.91.

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"**Per Share Price**" means an amount equal to the greater of (i) (x) \$50.00 *minus* (y) the Per Share Cash Reduction Amount and (ii) \$45.50.

"**Per Share Cash Reduction Amount**" means an amount in cash equal to the lesser of (i) \$4.50, *multiplied by* a fraction, (x) the numerator of which is the amount by which the Divested Revenues exceeds \$75,000,000 and (y) the denominator of which is \$150,000,000 and (ii) \$4.50. For the avoidance of doubt, if the Divested Revenues are \$75,000,000 or less, the Per Share Cash Reduction Amount shall be equal to zero.

"**20-Day VWAP**" means the average of the daily volume weighted average prices of a share of Parent Common Stock for each of the twenty trading days prior to the date hereof, on the NYSE, as reported by Bloomberg.

(c) Each share of Company Common Stock held by the Company as treasury stock or held by any Subsidiary of the Company (other than shares in a Company Employee Plan), or owned by Parent, the Merger Subs or any other Subsidiary of Parent immediately prior to the Effective Time (each such share, an "**Excluded Share**") shall be cancelled, and no payment shall be made with respect thereto.

(d) Each share of common stock of Merger Sub I outstanding immediately prior to the Effective Time shall be converted into and become one share of common stock of the Initial Surviving Entity with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding shares of capital stock of the Initial Surviving Entity. Each share of common stock of the Initial Surviving Entity outstanding immediately prior to the Subsequent Effective Time shall be converted into and become a membership interest in the Surviving Entity with the same rights, powers and privileges as the shares so converted and shall constitute the only outstanding membership interests in the Surviving Entity.

Section 2.03. *Election Procedures.*

(a) *Election Procedures.* Subject to allocation and adjustment in accordance with the provisions of this Article 2, each record holder of shares of Company Common Stock (other than (i) any Dissenting Shares, all of which shall be treated solely as provided in Section 2.05, (ii) any Company Equity Awards, all of which shall be treated solely as provided in Section 2.06, and (iii) Excluded Shares) issued and outstanding immediately prior to the Election Deadline shall be entitled to specify the number of such holder's shares of Company Common Stock with respect to which such holder makes a Mixed Election, Cash Election or Stock Election by complying with the procedures set forth in this Section 2.03.

(b) *Form of Election and Election Deadline.* Prior to the Effective Time, Parent shall appoint an agent reasonably acceptable to the Company (the "**Exchange Agent**") for the purpose of tabulating elections pursuant to Section 2.03(a) and exchanging for the Merger Consideration as promptly as practicable after the Effective Time pursuant to Section 2.04 (i) certificates representing shares of Company Common Stock (the "**Certificates**") or (ii) uncertificated shares of Company Common Stock (the "**Uncertificated Shares**"). Holders of shares of Company Common Stock shall make a Mixed Election, a Cash Election or a Stock Election on a form of election (a "**Form of Election**"), prepared by Parent and reasonably acceptable to the Company and filed as an exhibit to the Registration Statement, which shall specify that delivery shall be effected, and risk of loss and title to the Certificates shall pass, only upon delivery of the form of Election and such Certificates to the Exchange Agent, and which shall have such other customary provisions as Parent and the Company reasonably agree, to be provided by the Exchange Agent for that purpose to holders of record of shares of Company Common Stock (other than (i) any Dissenting Shares, all of which shall be treated solely as provided in Section 2.05, (ii) any Company Equity Awards, all of which shall be treated solely as provided in Section 2.06, and (iii) Excluded Shares), together

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with customary transmittal materials. Elections shall be made by mailing to the Exchange Agent a duly completed Form of Election. To be effective, a Form of Election must be properly completed, signed and submitted to the Exchange Agent at its designated office by 5:00 p.m. (Eastern Time) on the Business Day that is two (2) trading days prior to the Closing Date (which date shall be publicly announced by Parent at least five (5) Business Days prior to the anticipated Closing) or such other date and time as Parent may publicly announce with the consent of the Company (the applicable date and time described in this clause (x), the "**Election Deadline**"). The parties shall use their respective commercially reasonable efforts to cause the Exchange Agent to make a Form of Election available to all Persons who become holders of record of shares of Company Common Stock (other than (i) any Dissenting Shares, all of which shall be treated solely as provided in Section 2.05, (ii) any Company Equity Awards, all of which shall be treated solely as provided in Section 2.06 and (iii) Excluded Shares) between the date the Forms of Election are mailed and the Election Deadline. Parent shall determine, in its reasonable discretion (which discretion and authority it may delegate in whole or in part to the Exchange Agent), whether Forms of Election (and where applicable, appropriate transmittal materials) have been properly completed, signed and submitted or revoked. The decision of Parent (or the Exchange Agent, as the case may be) in such matters shall be conclusive and binding. In the event that a holder fails to make a Mixed Election, a Cash Election or a Stock Election with respect to any shares of Company Common Stock held or beneficially owned by such holder, then such holder shall be deemed to have made a Mixed Election with respect to those shares of Company Common Stock (each such share of Company Common Stock, a "**Non-Electing Share**"). After a Mixed Election, a Cash Election or a Stock Election is validly made with respect to a holder's shares of Company Common Stock, any further registration of transfers of such shares made on the stock transfer books of the Company following such election shall be deemed to be a revocation of such election.

(c) *Revocation of Election.* Any Mixed Election, Cash Election or Stock Election may be revoked, but only (subject to the last sentence of Section 2.03(b)) by written notice received by the Exchange Agent prior to the Election Deadline. In addition, all Mixed Elections, Cash Elections and Stock Elections shall automatically be revoked if this Agreement is terminated in accordance with Article 10. Any Certificate(s) representing shares of Company Common Stock that have been submitted to the Exchange Agent in connection with an election shall be returned without charge to the holder thereof in the event such election is revoked as aforesaid and such holder requests in writing the return of such Certificate(s) or Uncertificated Shares. Upon any such revocation, unless a duly completed Form of Election is thereafter submitted prior to the Election Deadline in accordance with Section 2.03(a) and Section 2.03(b), the shares of Company Common Stock to which such election previously applied shall be treated as Non-Electing Shares.

Section 2.04. *Surrender and Payment.* (a) Prior to the Effective Time, Parent shall make available to the Exchange Agent the Merger Consideration to be paid and/or issued in respect of the Certificates and the Uncertificated Shares. In addition, Parent shall deposit, or cause to be deposited with the Exchange Agent, as necessary from time to time after the Effective Time, any distributions or dividends payable pursuant to Section 2.04(h) with respect to shares of Company Common Stock with a record and payment date after the Effective Time and prior to the surrender of such shares of Company Common Stock and cash in lieu of any fractional shares payable pursuant to this Section 2.04. All shares of Parent Common Stock and cash, together with the amount of any dividends and distributions deposited with the Exchange Agent pursuant to this Section 2.04, shall hereinafter be referred to as the "**Exchange Fund**". Parent shall cause the Exchange Agent to deliver the Merger Consideration and other payments contemplated by this Article 2 out of the Exchange Fund.

(b) As promptly as practicable after the Effective Time (but no later than two (2) Business Days thereafter), Parent shall send, or shall cause the Exchange Agent to send, to each holder of shares of Company Common Stock at the Effective Time (other than Excluded Shares, Dissenting

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Shares or any holder of a Certificate who properly made and did not revoke a Mixed Election, Cash Election or a Stock Election) a letter of transmittal and instructions (which shall be reasonably acceptable to the Company and shall specify that the delivery shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Certificates or transfer of the Uncertificated Shares to the Exchange Agent) for use in such exchange.

(c) Each holder of shares of Company Common Stock who properly made and did not revoke a Mixed Election, Cash Election or a Stock Election shall be entitled to receive, upon (i) surrender to the Exchange Agent of a Certificate, together with a properly completed letter of transmittal, or (ii) receipt of an "agent's message" by the Exchange Agent (or such other evidence, if any, of transfer as the Exchange Agent may reasonably request) in the case of a book-entry transfer of Uncertificated Shares, the applicable Merger Consideration in respect of the Company Common Stock represented by a Certificate or Uncertificated Share, any dividends or other distributions payable pursuant to Section 2.04(h) and cash in lieu of any fractional shares of Company Common Stock payable pursuant to Section 2.07, and the Certificate so surrendered shall forthwith be cancelled. Until so surrendered or transferred, as the case may be, each such Certificate or Uncertificated Share shall represent after the Effective Time for all purposes only the right to receive the applicable Merger Consideration. Each holder of a Certificate representing Non-Electing Shares, upon surrender of such Certificate (or affidavit of loss in lieu thereof as provided in Section 2.11) to the Exchange Agent in accordance with the terms of such transmittal materials, shall be entitled to receive in exchange therefor the Mixed Election Consideration for each Non-Electing Share formerly represented by such Certificate, any dividends or other distributions payable pursuant to Section 2.04(h) and cash in lieu of any fractional shares of Company Common Stock pursuant to Section 2.07, and the Certificate so surrendered shall forthwith be cancelled.

(d) If any portion of the Merger Consideration is to be paid to a Person other than the Person in whose name the surrendered Certificate or the transferred Uncertificated Share is registered, it shall be a condition to such payment that (i) either such Certificate shall be properly endorsed or shall otherwise be in proper form for transfer or such Uncertificated Share shall be properly transferred and (ii) the Person requesting such payment shall pay to the Exchange Agent any transfer or other Taxes required as a result of such payment to a Person other than the registered holder of such Certificate or Uncertificated Share or establish to the satisfaction of the Exchange Agent that such Tax has been paid or is not payable.

(e) After the Effective Time, there shall be no further registration of transfers of shares of Company Common Stock. If, after the Effective Time, Certificates or Uncertificated Shares are presented to the Surviving Entity or the Exchange Agent, they shall be cancelled and exchanged for the Merger Consideration and other payments provided for, and in accordance with the procedures set forth, in this Article 2.

(f) Any portion of the Merger Consideration made available to the Exchange Agent pursuant to Section 2.04(a) that remains unclaimed by the holders of shares of Company Common Stock twelve (12) months after the Effective Time shall be returned to Parent, upon demand, and any such holder who has not exchanged shares of Company Common Stock for the Merger Consideration in accordance with this Section 2.04 prior to that time shall thereafter look only to Parent for payment of the Merger Consideration, any dividends and distributions with respect thereto pursuant to Section 2.04(h) and cash in lieu of any fractional shares of Company Common Stock payable pursuant to Section 2.07, in respect of such shares without any interest thereon. Notwithstanding the foregoing, Parent shall not be liable to any holder of shares of Company Common Stock for any amounts properly paid to a public official pursuant to applicable abandoned property, escheat or similar laws.

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(g) Subject to Section 2.04(d)(ii), the payment of any transfer, documentary, sales, use, stamp, registration, value added and other Taxes and fees (including any penalties and interest) incurred in connection with the Mergers, and the filing of any related Tax returns and other documentation with respect to such Taxes and fees, shall be borne by the Parent or the Surviving Entity.

(h) No dividends or other distributions with respect to securities of Parent constituting part of the Merger Consideration, and no cash payment in lieu of fractional shares as provided in Section 2.07, shall be paid to the holder of any Certificates not surrendered or of any Uncertificated Shares not transferred until such Certificates or Uncertificated Shares are surrendered or transferred, as the case may be, as provided in this Section 2.04. Following such surrender or transfer, there shall be paid, without interest, to the Person in whose name the securities of Parent have been registered, (i) at the time of such surrender or transfer, the amount of any cash payable in lieu of fractional shares to which such Person is entitled pursuant to Section 2.06(a) and the amount of all dividends or other distributions with a record date after the Effective Time previously paid or payable on the date of such surrender with respect to such securities, and (ii) at the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time and prior to surrender or transfer and with a payment date subsequent to surrender or transfer payable with respect to such securities.

Section 2.05. *Dissenting Shares.* Notwithstanding Section 2.02, shares of Company Common Stock outstanding immediately prior to the Effective Time and held by a holder who has not voted in favor of the Mergers or consented thereto in writing and who has demanded appraisal for such shares in accordance with the DGCL (each, a "**Dissenting Share**") shall not be converted into the right to receive the Merger Consideration, unless such holder fails to perfect, withdraws or otherwise loses the right to appraisal. If, after the Effective Time, such holder of a Dissenting Share fails to perfect, withdraws or otherwise loses the right to appraisal, such shares shall be treated as if they had made a Mixed Election and shall represent the right to receive the Mixed Election Consideration in accordance with the terms of this Agreement. The Company shall give Parent prompt notice of any demands received by the Company for appraisal of shares, and Parent shall have the right to participate in all negotiations and proceedings with respect to such demands. Except with the prior written consent of Parent, the Company shall not make any payment with respect to, or offer to settle or settle, any such demands.

Section 2.06. *Company Equity Awards.* At the Effective Time:

(a) Each restricted share of Company Common Stock outstanding under any Company Stock Plan that vests solely based on the passage of time (each, a "**Company RSA**") and which is outstanding at the Effective Time shall immediately vest and shall, in accordance with Section 2.02(a)(i) hereof, be converted into the right to receive, by virtue of Merger I and without any action on the part of the holder thereof, the Mixed Election Consideration.

(b) Each restricted stock unit award with respect to shares of Company Common Stock outstanding under any Company Stock Plan that vests solely based on the passage of time (each, a "**Company RSU**"), other than the Rollover RSUs (as defined below), and which is outstanding at the Effective Time shall immediately vest and shall be converted into the right to receive, with respect to each share of Company Common Stock underlying such Company RSU, by virtue of Merger I and without any action on the part of the holder thereof, the Mixed Election Consideration; *provided* that with respect to any Company RSU that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is not permitted to be paid at the Effective Time without triggering a Tax or penalty under Section 409A of the Code shall be made at the earliest time permitted under the applicable Company Stock Plan and award agreement that will not trigger a Tax or penalty under Section 409A of the Code.

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(c) Each Company RSU issued pursuant to a grant approved by the Board of Directors following the date hereof in accordance with Section 6.01(c) (each, a "**Rollover RSU**") and which is outstanding at the Effective Time shall be assumed and converted into a restricted stock unit relating to shares of Parent Common Stock (a "**Parent RSU**") entitling the holder to receive, on substantially the same terms and conditions (including with respect to vesting) as were applicable under such Rollover RSU immediately prior to the Effective Time, a number of shares of Parent Common Stock equal to the product of (i) the total number of shares of Company Common Stock subject to such Rollover RSU immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio, with any fractional shares being rounded down to the nearest whole share of Parent Common Stock.

(d) Each restricted share of Company Common Stock outstanding under any Company Stock Plan that vests based on the achievement of performance goals (each, a "**Company PSA**"), and which is outstanding at the Effective Time shall immediately vest and shall, in accordance with Section 2.02(a)(i) hereof, be converted into the right to receive, with respect to each restricted share of Company Common Stock (determined assuming the achievement of target level of performance) by virtue of Merger I and without any action on the part of the holder thereof, the Mixed Election Consideration.

(e) Each restricted stock unit award with respect to shares of Company Common Stock outstanding under any Company Stock Plan that vests based on the achievement of performance goals (each, a "**Company PSU**" and together with each Company RSA, Company PSA and Company RSU, the "**Company Equity Awards**"), other than the Rollover PSUs (as defined below), and which is outstanding at the Effective Time shall immediately vest and shall be converted into the right to receive, with respect to each share of Company Common Stock underlying such Company PSU (determined assuming the achievement of target level of performance), by virtue of Merger I and without any action on the part of the holder thereof, the Mixed Election Consideration; *provided* that with respect to any Company PSU that constitutes nonqualified deferred compensation subject to Section 409A of the Code and that is not permitted to be paid at the Effective Time without triggering a Tax or penalty under Section 409A of the Code shall be made at the earliest time permitted under the applicable Company Stock Plan and award agreement that will not trigger a Tax or penalty under Section 409A of the Code.

(f) Each Company PSU issued pursuant to a grant approved by the Board of Directors following the date hereof in accordance with Section 6.01(c) (each, a "**Rollover PSU**") and which is outstanding at the Effective Time shall be assumed and converted into a restricted stock unit relating to shares of Parent Common Stock (a "**Parent PSU**") entitling the holder to receive, determined assuming achievement of target level of performance and subject to continued vesting based on the passage of time through the end of the performance period, a number of shares of Parent Common Stock equal to the product of (i) the total number of shares of Company Common Stock subject to such Rollover PSU immediately prior to the Effective Time multiplied by (ii) the Exchange Ratio, with any fractional shares being rounded down to the nearest whole share of Parent Common Stock.

(g) Prior to the Effective Time, the Board of Directors shall take any and all resolutions or actions necessary or required (under the Company Stock Plan, Applicable Law, the applicable award agreements or otherwise) to give effect to the transactions contemplated by this Section 2.06 and to ensure that, from and after the Effective Time, each holder of Company Equity Awards shall have no rights with respect to any cancelled Company Equity Awards, except the right to receive the Mixed Election Consideration with respect thereto or, with respect to a Rollover PSU or a Rollover RSU, the right to receive a grant of a Parent PSU or Parent RSU, respectively. Parent shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Parent Common Stock for delivery in accordance with Section 2.06(c) and

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Section 2.06(f). Parent shall file with the SEC, as soon as practicable following the Effective Time, a registration statement on Form S-8 (or any successor form), to the extent such form is available, relating to such Parent Common Stock.

Section 2.07. *Fractional Shares.* No fractional shares of Parent Common Stock shall be issued in the Mergers. All fractional shares of Parent Common Stock that a holder of shares of Company Common Stock would otherwise be entitled to receive as a result of the Mergers shall be aggregated and if a fractional share results from such aggregation, such holder shall be entitled to receive, in lieu thereof, an amount in cash without interest determined by multiplying the closing sale price of a share of Parent Common Stock on the NYSE on the trading day immediately preceding the Effective Time by the fraction of a share of Parent Common Stock to which such holder would otherwise have been entitled.

Section 2.08. *Withholding Rights.* Notwithstanding any provision contained herein to the contrary, each of the Exchange Agent, the Company, the Surviving Entity and Parent shall be entitled to deduct and withhold from the consideration otherwise payable to any Person pursuant to this Article 2 such amounts as it is required to deduct and withhold with respect to the making of such payment under any provision of federal, state, local or foreign tax law. If the Exchange Agent, the Company, the Surviving Entity or Parent, as the case may be, so withholds and remits amounts to the applicable Taxing Authority, such amounts shall be treated for all purposes of this Agreement as having been paid to the Person in respect of whom the Exchange Agent, the Company, the Surviving Entity or Parent, as the case may be, made such deduction and withholding. For the avoidance of doubt, any deductions or withholdings made from Mixed Election Consideration pursuant to this Section 2.08 shall be made in cash and deducted or withheld from the Mixed Election Cash Consideration portion payable upon such Mixed Election.

Section 2.09. *Payment of Company Equity Awards.* Parent shall take all actions necessary so that, as promptly as reasonably practicable after the Effective Time (but no later than the later of five (5) Business Days after, and the first regularly scheduled payroll date for the Company after, the Effective Time), the Surviving Entity shall pay or cause to be paid to each holder of a Company Equity Award the amounts to which such holder is entitled as determined in accordance with Section 2.06 (less applicable tax withholding), to the extent permitted thereby. In the event that the Surviving Entity has insufficient cash to make such payment to each holder of Company Equity Awards, Parent shall pay such amounts or provide to the Surviving Entity sufficient cash to pay such amounts.

Section 2.10. *Lost Certificates.* If any Certificate shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such Certificate to be lost, stolen or destroyed and, if required by the Surviving Entity, the posting by such Person of a bond, in such reasonable amount as the Surviving Entity may direct, as indemnity against any claim that may be made against it with respect to such Certificate, the Exchange Agent will issue, in exchange for such lost, stolen or destroyed Certificate, the Merger Consideration to be paid in respect of the shares of Company Common Stock represented by such Certificate, as contemplated by this Article 2.

Section 2.11. *Determination of Divested Revenues.*

(a) Prior to Closing and promptly following the final determination of the businesses, assets, title plants or rights to title plants, if any, that are required to be divested, Parent shall reasonably determine the Divested Revenues and shall provide the Company with a "**Divested Revenues Notice**" setting forth in reasonable detail the basis for calculation of the amount representing Divested Revenues, together with a breakdown of Divested Revenues that specifies (i) the amount of Divested Revenues generated by each such business, asset, title plant or right to title plant that is to be divested and (ii) the amount of revenues generated by each competitive business, asset, title plant or right to title plant during the fiscal year ended December 31, 2017 (i.e., as between the Company and Parent) that is to be retained.

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(b) In the event that the Company wishes to dispute any amount proposed by Parent in the Divested Revenues Notice, the Company shall provide Parent with written notice of such dispute (the "**Divested Revenues Dispute Notice**") no later than five (5) Business Days following receipt of the Divested Revenues Notice.

(c) During the three (3) Business Days following receipt by Parent of the Divested Revenues Dispute Notice, representatives of Parent and the Company shall negotiate in good faith with a view to resolving any items in dispute so raised by the Company pursuant to the Divested Revenues Dispute Notice.

(d) In the event that the Company and Parent cannot resolve all such objections within such three (3) Business Day period set forth in Section 2.11(c), the parties shall jointly retain a mutually acceptable nationally recognized accounting firm that is independent from, and has not been retained as the principal audit firm in the prior three (3) years by, the Company, Parent or any of their respective Affiliates (the "**Independent Accountant**"), to resolve the remaining business- or county-level items in dispute in accordance with this Agreement. The Independent Accountant shall only decide the objections submitted to it, and with respect to each, shall not assign any value for each line item that is greater than the highest value for such amount claimed by either the Company or Parent or that is less than the lowest value for such amount claimed by either the Company or Parent. The Independent Accountant shall base its decision solely upon the presentations of the parties to the Independent Accountant at a hearing held before the Independent Accountant and upon any materials made available by either party and not upon independent review. The Independent Accountant's fees and expenses shall be split evenly between the Company and Parent. The parties shall use their reasonable best efforts to cause the Independent Accountant to make its determination as promptly as possible and in any event within thirty (30) days after the Independent Accountant has been retained, including by promptly complying with all reasonable requests for information, books, records and similar items. Each of the Company and Parent shall be afforded the opportunity to present to the Independent Accountant any materials related to the disputed objections and to discuss the determination thereof with the Independent Accountant. The determination of the Independent Accountant shall be conclusive and binding on the parties.

Section 2.12. *Transfers.* From and after the Effective Time, there shall be no transfers on the stock transfer books of the Company of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time.

Section 2.13. *Adjustments to Prevent Dilution.* In the event that the Company changes the number of shares of Company Common Stock or securities convertible or exchangeable into or exercisable for any such shares of Company Common Stock, or Parent changes the number of shares of Parent Common Stock or securities convertible or exchangeable into or exercisable for any such shares of Parent Common Stock, in each case issued and outstanding prior to the Effective Time as a result of a reclassification, stock split (including a reverse stock split), stock dividend or distribution, recapitalization, subdivision, or other similar transaction, the Merger Consideration shall be equitably adjusted to eliminate the effects of such event on the Merger Consideration.

Section 2.14. *Uncertificated Shares.* No holder of Uncertificated Shares shall be required to deliver a Certificate or an executed letter of transmittal to the Exchange Agent to receive the applicable Merger Consideration, any dividends or other distributions payable pursuant to Section 2.04(h) and cash in lieu of any fractional shares of Parent Common Stock payable pursuant to Section 2.07 that such holder is entitled to receive. In lieu thereof, each registered holder of one or more Uncertificated Shares shall automatically upon the Effective Time be entitled to receive, and Parent shall cause the Exchange Agent to pay and deliver as soon as reasonably practicable after the Effective Time (but in no event more than five (5) Business Days thereafter), the applicable Merger

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Consideration, any dividends or other distributions payable pursuant to Section 2.04(h) and cash in lieu of any fractional shares of Parent Common Stock payable pursuant to Section 2.07 each Uncertificated Share.

ARTICLE 3
THE INITIAL SURVIVING ENTITY AND THE SURVIVING ENTITY

Section 3.01. *Certificate of Incorporation of the Initial Surviving Entity.* At the Effective Time and by virtue of Merger I, the certificate of incorporation of Merger Sub I shall remain in effect but shall be amended (a) so that Article FIRST shall read "The name of the corporation is Stewart Information Services Corporation", and (b) as otherwise required by Section 7.04(b), and as so amended shall be the amended and restated certificate of incorporation of the Initial Surviving Entity until Merger II is consummated.

Section 3.02. *Bylaws of the Initial Surviving Entity.* At the Effective Time, the bylaws of Merger Sub I in effect immediately prior to the Effective Time shall be the bylaws of the Initial Surviving Entity until Merger II is consummated.

Section 3.03. *Directors and Officers of the Initial Surviving Entity.* From and after the Effective Time, until successors are duly elected or appointed and qualified in accordance with Applicable Law, (a) the directors of Merger Sub I at the Effective Time shall be the directors of the Initial Surviving Entity, and (b) the officers of the Company at the Effective Time shall be the officers of the Initial Surviving Entity.

Section 3.04. *Certificate of Formation and Limited Liability Agreement of the Surviving Entity.* At the Subsequent Effective Time and by virtue of Merger II, the certificate of formation and limited liability company agreement of Merger Sub II in effect immediately prior to the Subsequent Effective Time shall be the certificate of formation and limited liability company agreement of the Surviving Entity from and after the Subsequent Effective Time until thereafter amended in accordance with the DLLCA.

Section 3.05. *Managers and Officers of the Surviving Entity.* From and after the Subsequent Effective Time, until successors are duly elected or appointed and qualified in accordance with Applicable Law, (a) the managers of Merger Sub II at the Subsequent Effective Time shall be the managers of the Surviving Entity and (b) the officers of the Initial Surviving Entity immediately prior to the Subsequent Effective Time shall be the officers of the Surviving Entity.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Except as disclosed in any Company SEC Document filed and publicly available between January 1, 2015 and the date of this Agreement (but excluding any disclosures set forth in any section entitled "Risk Factors" or in any "forward-looking statements" section that are cautionary, forward-looking or predictive in nature set forth therein, in each case other than any specific historical factual information contained therein, which shall not be excluded) but only to the extent that the relevance of such disclosure to the relevant subject matter is reasonably apparent, or, subject to Section 11.05, as set forth in the Company Disclosure Schedule, the Company represents and warrants to Parent that:

Section 4.01. *Corporate Existence and Power.* The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware and has all corporate powers required to carry on its business as now conducted, except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole. The Company is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. The Company is not in material violation of its certificate of incorporation or bylaws.

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Section 4.02. *Corporate Authorization.* (a) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby are within the Company's corporate powers and, except for the required approval of the Company's stockholders in connection with the consummation of Merger I (as described in the following sentence), have been duly authorized by all necessary corporate action on the part of the Company. The affirmative vote of the holders of a majority of the outstanding shares of Company Common Stock is the only vote of the holders of any of the Company's capital stock necessary in connection with the consummation of the Mergers (the "**Company Stockholder Approval**"). The Company has duly executed and delivered this Agreement, and, assuming due authorization, execution and delivery by each of Parent and the Merger Subs, this Agreement constitutes a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms (except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other Applicable Laws of general applicability relating to or affecting creditors' rights, or by principles governing the availability of equitable remedies, whether considered in suit, action or proceeding at law or in equity (collectively, the "**Enforceability Exceptions**")).

(b) At a meeting duly called and held, the board of directors of the Company (the "**Board of Directors**") has unanimously (i) determined that this Agreement and the transactions contemplated hereby are fair to and in the best interests of the Company's stockholders, (ii) approved, adopted and declared advisable this Agreement and the transactions contemplated hereby and (iii) resolved, subject to Section 6.03(b), to recommend approval and adoption of this Agreement by its stockholders (such recommendation, the "**Company Board Recommendation**").

Section 4.03. *Governmental Authorization.* (a) The execution, delivery and performance by the Company of this Agreement and the consummation by the Company of the transactions contemplated hereby require no consent, approval, order or authorization or any other action by or in respect of, or filing or registration with or notification to, any Governmental Authority by or in respect of the Company or any of its Subsidiaries other than (i) filings and approvals required under Insurance Law, including with respect to the Required Insurance Regulatory Filings/Approvals, (ii) the filing of a certificate of merger with respect to Merger I and Merger II with the Delaware Secretary of State and appropriate documents with the relevant authorities of other states in which the Company is qualified to do business, (iii) compliance with any applicable requirements of the HSR Act and other Antitrust Law existing in jurisdictions outside of the United States, (iv) compliance with any applicable requirements of the 1933 Act, the 1934 Act, and any other applicable state or federal securities laws, (v) compliance with the rules and regulations of the NYSE and (vi) any other actions or filings (A) required solely by reason of the participation of Parent (as opposed to any Third Party) in the transactions contemplated hereby or (B) the absence of which would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole.

(b) The regulatory consents, approvals, filings, registrations and notifications set forth on Section 4.03 of the Company Disclosure Schedule reflect all regulatory consents, approvals, filings, registrations and notifications to any Governmental Authority required under Insurance Laws by or in respect of the Company or any of its Subsidiaries in connection with the consummation by the Company of the transactions contemplated by this Agreement.

Section 4.04. *Non-contravention.* The execution, delivery and performance by the Company of this Agreement and the consummation of the transactions contemplated hereby do not and will not (i) contravene, conflict with, or result in any violation or breach of any provision of the certificate of incorporation or bylaws of the Company, (ii) assuming compliance with the matters referred to in Section 4.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, (iii) assuming compliance with the matters referred to in Section 4.03, require any consent or other action by any Person under, constitute a default under, or cause or permit the termination or cancellation of any agreement or other instrument binding upon the Company or any of

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its Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of the Company or any of its Subsidiaries, with only such exceptions, in the case of each of clauses (ii) through (iv), as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 4.05. *Capitalization.* (a) The authorized capital stock of the Company consists of 51,500,000 shares of Company Common Stock and 1,000,000 shares of preferred stock par value \$0.001 per share. As of March 15, 2018, there were outstanding 23,728,907 shares of Company Common Stock, 65,263 shares of Company Common Stock underlying Company RSAs, 49,673 shares of Company Common Stock underlying Company RSUs, 133,269 shares of Company Common Stock underlying Company PSAs (assuming target performance) and 60,018 shares of Company Common Stock underlying Company PSUs (assuming target performance). All outstanding shares of capital stock of the Company have been duly authorized and validly issued, fully paid and non-assessable.

(b) Except as set forth in this Section 4.05 and for changes since March 15, 2018 resulting from the settlement of a Company Equity Award outstanding on such date, there are no issued, reserved for issuance or outstanding (i) shares of capital stock or other voting securities of or ownership interests in the Company, (ii) securities of the Company convertible into or exchangeable for shares of capital stock or other voting securities of or ownership interests in the Company or (iii) warrants, calls, options or other rights to acquire from the Company, or other obligation of the Company to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of the Company or (iv) restricted shares, stock appreciation rights, performance units, "phantom" stock or similar securities or rights that are derivative of any capital stock of or voting securities of the Company (the items in clauses (i) through (iv) being referred to collectively as the "**Company Securities**"). There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Company Securities.

(c) As of the date of this Agreement, there are no bonds, debentures, notes or other indebtedness or similar instruments of the Company having the right to vote (or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of the Company Common Stock may vote.

Section 4.06. *Subsidiaries.* (a) Each Subsidiary of the Company (i) has been duly organized, (ii) is validly existing and (where applicable) in good standing under the laws of its jurisdiction of organization and (iii) has all organizational powers required to carry on its business as now conducted, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Each such Subsidiary is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where such qualification is necessary, except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. All material Subsidiaries of the Company and their respective jurisdictions of organization are identified in the Company 10-K.

(b) All of the outstanding capital stock of or other voting securities of, or ownership interests in, each Subsidiary of the Company have been duly authorized, validly issued and (where applicable) are fully paid and nonassessable, and are owned by the Company, directly or indirectly, free and clear of any Lien. As of March 15, 2018, there were no issued, reserved for issuance or outstanding (i) securities of the Company or any of its Subsidiaries convertible into, or exchangeable for, shares of capital stock or other voting securities of, or ownership interests in, the Company or any Subsidiary of the Company, (ii) warrants, calls, options or other rights to acquire from the Company or any of its Subsidiaries, or other obligations of the Company or any of its Subsidiaries to issue, any capital stock or other voting securities of, or ownership interests in, or any securities convertible into, or exchangeable for, any capital stock or other voting securities of,

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or ownership interests in, any Subsidiary of the Company or (iii) restricted shares, stock appreciation rights, performance units, contingent value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any capital stock or other voting securities of, or ownership interests in, any Subsidiary of the Company (the items in clauses (i) through (iii) being referred to collectively as the "**Company Subsidiary Securities**"). There are no outstanding obligations of the Company or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Company Subsidiary Securities.

(c) None of the Company's Subsidiaries own any Company Common Stock or other Company Securities or holds any rights to acquire any Company Common Stock or other Company Securities.

Section 4.07. *SEC Filings and the Sarbanes-Oxley Act.* (a) The Company has filed with or furnished to the SEC, and made available to Parent, all reports, schedules, forms, statements, prospectuses, registration statements and other documents required to be filed with or furnished to the SEC by the Company since January 1, 2016 (collectively, together with any exhibits and schedules thereto and other information incorporated therein, the "**Company SEC Documents**").

(b) As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of (and giving effect to) the last such amended or superseded filing) or the date that it is furnished, each Company SEC Document complied as to form in all material respects with the applicable requirements of the 1933 Act and the 1934 Act, as the case may be.

(c) As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of (and giving effect to) the last such amended or superseded filing) or the date that it is furnished, each Company SEC Document filed pursuant to the 1934 Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) Each Company SEC Document that is a registration statement, as amended or supplemented, if applicable, filed pursuant to the 1933 Act, as of the date such registration statement or amendment became effective, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

(e) The Company has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the 1934 Act) as required by Rule 13a-15 under the 1934 Act. The Company's disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by the Company in the reports that it files or furnishes under the 1934 Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. The Company's management has completed an assessment of the effectiveness of the Company's internal control over financial reporting in compliance with the applicable requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2016, and such assessment concluded that such controls were effective. The Company has disclosed to Parent (i) any significant deficiencies in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect the Company's ability to report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the

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Company's internal control over financial reporting, in each case, that was disclosed to the Company's auditors or the audit committee of the Board of Directors in connection with its most recent evaluation of internal controls over financial reporting prior to the date hereof. To the knowledge of the Company, none of the Company SEC Documents is the subject of ongoing SEC review or investigation as of the date of this Agreement.

(f) Since January 1, 2016, the Company has complied in all material respects with the applicable listing and corporate governance rules and regulations of the NYSE.

Section 4.08. *Financial Statements.* The audited consolidated financial statements and unaudited consolidated interim financial statements of the Company included or incorporated by reference in the Company SEC Documents (the "**Company Financial Statements**") fairly present in all material respects, in conformity with GAAP (except as may be indicated in the notes thereto), the consolidated financial position of the Company and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject to normal year-end audit adjustments and the absence of footnotes in the case of any unaudited interim financial statements). As of the date hereof, KPMG LLP has not resigned (or informed the Company that it intends to resign) or been dismissed as independent public accountants of the Company as a result of or in connection with any disagreements with the Company over a matter of the Company's accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Section 4.09. *Disclosure Documents.* The information supplied by the Company for inclusion or incorporation by reference in the registration statement on Form S-4 or any amendment or supplement thereto pursuant to which shares of Parent Common Stock issuable as the Mixed Election Stock Consideration or Stock Election Consideration will be registered with the SEC (as amended or supplemented from time to time, the "**Registration Statement**") shall not at the time the Registration Statement is declared effective by the SEC (or, with respect to any post-effective amendment or supplement, at the time such post-effective amendment or supplement becomes effective) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The proxy statement of the Company to be filed with the SEC in connection with the Mergers (as amended or supplemented from time to time, the "**Proxy Statement**") will, when filed, comply as to form in all material respects with the applicable requirements of the 1934 Act. At the time the Proxy Statement and any amendments or supplements thereto is first mailed to the stockholders of the Company and at the time of the Company Stockholder Approval, the Proxy Statement, as supplemented or amended, if applicable, will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 4.09 will not apply to statements or omissions included or incorporated by reference in the Proxy Statement based upon information supplied by Parent, the Merger Subs or any of their respective representatives or advisors specifically for use or incorporation by reference therein.

Section 4.10. *Absence of Certain Changes.* (a) Since December 31, 2017 (the "**Company Balance Sheet Date**"), the business of the Company and its Subsidiaries has been conducted in the ordinary course consistent with past practices in all material respects.

(b) Since the Company Balance Sheet Date, there has not been any event, occurrence, development or state of circumstances or facts that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

(c) From the Company Balance Sheet Date until the date hereof, there has not been any action taken by the Company or any of its Subsidiaries that, if taken during the period from the date of this Agreement through the Effective Time without Parent's consent, would constitute a

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breach of Section 6.01(other than Section 6.01(m)(C) or, to the extent relating to Section 6.01(m)(C), Section 6.01(n)).

Section 4.11. *No Undisclosed Material Liabilities.* There are no liabilities of the Company or any of its Subsidiaries of any kind that would be required under GAAP to be disclosed and provided for in a consolidated balance sheet of the Company, other than: (i) liabilities disclosed and provided for in the Company Financial Statements or in the notes thereto; (ii) liabilities incurred in the ordinary course of business since the Company Balance Sheet Date; (iii) liabilities or obligations incurred in connection with the transactions contemplated hereby; and (iv) liabilities that would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract relating to any transaction or relationship between or among the Company and any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate (including any structured finance, special purpose or limited purpose entity or Person), on the other hand, or any "off-balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K of the 1933 Act), where the result, purpose or effect of such contract is to avoid disclosure in the Company SEC Documents of any transaction involving, or liabilities of, the Company or any of its Subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 4.12. *Compliance with Laws and Court Orders.* (a) The Company and each of its Subsidiaries hold all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses under and pursuant to, and has been and is in compliance with in all respects, and to the knowledge of the Company is not under investigation with respect to and has not been threatened in writing to be charged with or given written notice of any violation of, all Applicable Laws, except for failures to hold such licenses, franchises, permits and authorizations and for failures to comply or violations, in each case, that would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole.

(b) The Company and each of its Subsidiaries has properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, or conservator, in accordance with the terms of the governing documents and Applicable Law, except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole. Neither the Company nor any of its Subsidiaries, or any director, officer or employee of the Company or of any of its Subsidiaries, has committed any breach of fiduciary duty with respect to any such fiduciary account and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account, except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole.

Section 4.13. *Litigation.* Other than (i) ordinary course claims under Insurance Contracts and Reinsurance Contracts for amounts of \$1,000,000 or less or (ii) claims for which the amount reserved on the Company Balance Sheet is \$250,000 or less, as of the date hereof, there is no action, suit, investigation or proceeding pending against, or, to the knowledge of the Company, threatened in writing against or affecting, the Company or any of its Subsidiaries before (or, in the case of threatened actions, suits, investigations or proceedings, would be before) or by any Governmental Authority, that would reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole.

Section 4.14. *Properties.* (a) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, the Company and its Subsidiaries have good title to, or valid leasehold interests in, all property and assets reflected on the Company Balance Sheet or

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acquired after the Balance Sheet Date, except as have been disposed of since the Company Balance Sheet Date, in each case free and clear of all Liens other than Permitted Liens.

(b) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) each lease, sublease or license (each, a "**Lease**") under which the Company or any of its Subsidiaries leases, subleases or licenses any real property is valid and in full force and effect and (ii) neither the Company nor any of its Subsidiaries, nor to the knowledge of the Company any other party to a Lease, is in violation of any Lease.

Section 4.15. *Intellectual Property.* (a) Section 4.15(a) of the Company Disclosure Schedule sets forth a list of all of the registered Intellectual Property owned by the Company or any of its Subsidiaries (the "**Company Intellectual Property Rights**").

(b) Each item of the Company Intellectual Property Rights is valid, subsisting and enforceable as of the date of this Agreement, except as would not have, individually or in the aggregate, a Company Material Adverse Effect.

(c) The Company and its Subsidiaries, except as would not, individually or in the aggregate, be material to the Company and its Subsidiaries, taken as a whole, (i) own the Company Intellectual Property Rights free and clear of Liens other than Permitted Liens, and (ii) to the knowledge of the Company, have rights to use all other Intellectual Property necessary for the Company's or its Subsidiaries' respective businesses, each as currently conducted.

(d) Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries taken as a whole, (i) there is no suit, order or proceeding pending against the Company or any of its Subsidiaries (A) alleging that the any services provided, processes used or products manufactured or sold by the Company or any of its Subsidiaries infringes or misappropriates any Intellectual Property of any Person or (B) challenging the validity or ownership of any registered Intellectual Property owned by the Company or any of its Subsidiaries, (ii) to the knowledge of the Company, none of the processes used or the products or services manufactured, used or sold by the Company or any of its Subsidiaries infringe, misappropriate or violate the Intellectual Property of any third party, and (iii) there are no material restrictions or limitations on the Company or any of its Subsidiaries' use of any registered Intellectual Property owned by the Company or any of its Subsidiaries.

(e) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect: (i) to the knowledge of the Company, the Company owns or has a valid right to access and use all computer systems, networks, hardware, software, databases, websites, and equipment used to process, store, maintain and operate data, information, and functions used in connection with the Company's business as currently conducted (the "**Company IT Systems**"), (ii) the Company IT Systems are adequate for, and operate and perform in all material respects as required in connection with, the operation of the Company's business as currently conducted and do not, to the knowledge of the Company, contain any viruses, worms, trojan horses, bugs, faults or other devices, errors, contaminants or effects that materially disrupt or adversely affect the functionality of any Company IT Systems or enable or assist any Person to access without authorization any Company IT Systems, (iii) to the knowledge of the Company, the Company and its business operations are in compliance with the Company's privacy policies and any Applicable Laws relating to personally identifiable information, and (iv) there is no claim, action or other proceeding pending, or, to the knowledge of the Company, threatened against the Company alleging a violation of any Person's privacy rights under any Applicable Laws.

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Section 4.16. *Taxes.* Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole:

(a) All Tax Returns required by Applicable Law to be filed with any Taxing Authority by, or on behalf of, the Company or any of its Subsidiaries have been filed when due in accordance with all Applicable Law, and all such Tax Returns are true, correct and complete in all respects.

(b) The Company and each of its Subsidiaries has timely paid (or has had paid on its behalf) or has withheld and remitted to the appropriate Taxing Authority all Taxes due and payable, or, where payment is not yet due, has established (or has had established on its behalf and for its sole benefit and recourse) in accordance with GAAP an adequate accrual for all Taxes through the end of the last period for which the Company and its Subsidiaries ordinarily record items on their respective books.

(c) The income and franchise Tax Returns of the Company and its Subsidiaries through the Tax year ended December 31, 2012 have been examined and closed or are Tax Returns with respect to which the applicable period for assessment under Applicable Law, after giving effect to extensions or waivers, has expired.

(d) There is no claim, audit, action, suit, proceeding or investigation now pending or, to the knowledge of the Company, threatened against or with respect to the Company or its Subsidiaries in respect of any Tax or Tax asset.

(e) As of the date hereof, neither the Company nor any of its Subsidiaries has waived any statute of limitations in respect of an amount of Taxes or agreed to any extension of time with respect to an assessment or deficiency for an amount of Taxes (other than pursuant to extensions of time to file Tax Returns obtained in the ordinary course or waivers or extensions that have already expired).

(f) During the two (2)-year period ending on the date hereof, neither the Company nor any of its Subsidiaries was a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Code.

(g) There is no claim currently outstanding by any Taxing Authority in a jurisdiction where the Company and/or the Company's Subsidiaries do not file Tax Returns that the Company or any of its Subsidiaries is subject to taxation by, or required to file any Tax Return in, that jurisdiction.

(h) There are no Liens for Taxes, other than Permitted Liens, on the assets of the Company or any of its Subsidiaries.

(i) Neither the Company nor any of its Subsidiaries will be required to include any amount in income, or exclude any amount of deduction, in any taxable period (or portion thereof) beginning after the Closing Date as a result of any (i) change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or foreign law) executed on or prior to the Closing Date or (iii) election under Section 108(i) of the Code.

(j) Since December 31, 2012, the Insurance Subsidiaries have qualified as insurance companies within the meaning of Section 831 of the Code.

Section 4.17. *Tax Treatment.* Neither the Company nor any of its Subsidiaries has taken or agreed to take any action or knows of any fact or circumstance that would prevent the Mergers from qualifying as a 368 Reorganization.

Section 4.18. *Employee Benefit Plans.* (a) Section 4.18(a) of the Company Disclosure Schedule contains a list of each material Company Employee Plan. For each material Company Employee Plan, the Company has made available to Parent a copy of such plan and all amendments thereto, together

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with a copy of (if applicable) (i) each trust, insurance or other funding arrangement, (ii) each summary plan description and summary of material modifications, (iii) the most recently filed Internal Revenue Service Forms 5500 and all schedules thereto, (iv) the most recent favorable determination or opinion letter from the Internal Revenue Service, (v) the most recently prepared actuarial reports and financial statements in connection with each such Company Employee Plan, (vi) all written summaries of all non-written Company Employee Plans and (vii) any material, non-routine communications from a Governmental Authority within the two-(2) year period prior to the date of this Agreement.

(b) Neither the Company nor any ERISA Affiliate thereof sponsors, maintains or contributes to, or has during the past six (6)-year period preceding the Closing, sponsored, maintained or contributed to, or has incurred any liability with respect to, any Company Employee Plan subject to Title IV of ERISA (including any Multiemployer Plan). None of the Company, any of its Subsidiaries or any of their ERISA Affiliates has engaged in any transaction described in Section 4069 or Section 4212(c) of ERISA.

(c) Each Company Employee Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service or has applied to the Internal Revenue Service for such a letter within the applicable remedial amendment period or such period has not expired, and, to the knowledge of the Company, there are no existing circumstances and no events have occurred that would adversely affect the qualified status of any Company Employee Plan.

(d) Each Company Employee Plan has been maintained in compliance with its terms and all Applicable Law, including ERISA and the Code, except for failures to comply that have not had and would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole. No action, suit, investigation, audit, proceeding or claim (other than routine claims for benefits) is pending against or involves or, to the knowledge of the Company, is threatened against or threatened to involve, any Company Employee Plan before any Governmental Authority, including the Internal Revenue Service, the Department of Labor or the PBGC, except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole.

(e) None of the Company Employee Plans provides for post-retiree health, welfare or life insurance benefits or coverage for any participant or any beneficiary of a participant, except as may be required under the Consolidated Omnibus Budget Reconciliation Act of 1985, or similar state Law and at the sole expense of such participant or the participant's beneficiary.

(f) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) (i) result in, cause the vesting, exercisability or delivery of, cause the Company or any of its Subsidiaries to transfer or set aside any assets to fund, in each case, any material benefits or payments under any Company Employee Plan, (ii) increase the amount or value of, any payment, right or other benefit to any current or former employee, officer or director of the Company or any of its Subsidiaries, or (iii) result in any limitation on the right of the Company or any of its Subsidiaries to amend, merge, terminate or receive a reversion of assets from any Company Employee Plan or related trust. Neither the Company nor any of its Subsidiaries maintains any obligations to gross-up or reimburse any individual for any tax under Section 409A or 4999 of the Code.

(g) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will (either alone or in conjunction with any other event) give rise to any "excess parachute payment" within the meaning of Section 280G of the Code.

(h) The Company and its Subsidiaries are in compliance with all Applicable Laws relating to labor and employment, except for failures to comply that have not had and would not reasonably

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be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole.

(i) Neither the Company nor any of its Subsidiaries is a party to or subject to, or is currently negotiating in connection with entering into, any collective bargaining agreement. Except as has not had and would not reasonably be expected to result, individually or in the aggregate, in a Company Material Adverse Effect, there are no unfair labor practice complaints pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries before the National Labor Relations Board or any other Governmental Authority or any current union representation questions involving any director, officer, employee or individual independent contractor (including any former director, officer, employee or individual independent contractor) of the Company or any of its Subsidiaries with respect to the Company or its Subsidiaries. There is no labor strike, slowdown, stoppage, picketing, interruption of work or lockout pending or, to the knowledge of the Company, threatened against or affecting the Company or any of its Subsidiaries.

(j) The Company or any of its Subsidiaries do not maintain any Company Employee Plan (i) outside of the U.S. or (ii) for the benefit of any individual whose principal place of employment is outside of the U.S.

Section 4.19. *Environmental Matters.* (a) Except as would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect:

(i) no written notice, order, complaint or penalty has been received by the Company or any of its Subsidiaries arising out of any Environmental Laws, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the knowledge of the Company, threatened which allege a violation by the Company or any of its Subsidiaries of any Environmental Laws;

(ii) the Company and each of its Subsidiaries have all environmental permits necessary for their operations to comply with all applicable Environmental Laws and are in compliance with the terms of such permits; and

(iii) the operations of the Company and each of its Subsidiaries are in compliance with the terms of applicable Environmental Laws.

Section 4.20. *Material Contracts.* (a) Section 4.20(a) of the Company Disclosure Schedule contains an accurate and complete list of each contract described below in this Section 4.20(a) (other than a Reinsurance Contract or a Company Employee Plan) under which the Company or any of its Subsidiaries has any current or future rights, responsibilities, obligations or liabilities (in each case, whether contingent or otherwise), in each case as of the date hereof (each contract of a type described in this Section 4.20(a), a "**Material Contract**"):

(i) each contract that limits in any material respect the freedom of the Company or any of its Subsidiaries to compete in any line of business or geographic region, or with any Person;

(ii) any partnership or joint venture agreement that is material to the Company and its Subsidiaries, taken as a whole;

(iii) each contract relating to outstanding indebtedness for borrowed money of the Company or any of its Subsidiaries or any financial guaranty thereof in an amount in excess of \$1,000,000, other than (A) contracts among the Company and its wholly-owned Subsidiaries and (B) financial guarantees entered into in the ordinary course of business consistent with past practice not exceeding \$1,000,000;

(iv) any contract required to be disclosed under Item 404 of Regulation S-K of the 1933 Act;

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(v) any contract (excluding licenses for commercial off-the-shelf computer software that are generally available on nondiscriminatory pricing terms or licenses contained in service contracts to the extent the licenses contained therein are incidental to such contract, non-exclusive and granted in the ordinary course of business) to which the Company or any of its Subsidiaries is a party or otherwise bound and pursuant to which the Company or any of its Subsidiaries (A) is granted any license, option or covenant not sue with respect to any Intellectual Property of a Third Party or (B) has granted to a Third Party any license, option or covenant not to sue with respect to any Intellectual Property, and, in the case of both (A) and (B), which contract is material to the Company and its Subsidiaries, taken as a whole; and

(vi) any other contract, arrangement, commitment or understanding that is a "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the SEC).

(b) The Company has provided to Parent prior to the date hereof an accurate and complete copy of each Material Contract listed on Section 4.20(a) of the Company Disclosure Schedule. Except for breaches, violations or defaults which would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (i) each of the Material Contracts is valid and in full force and effect and (ii) neither the Company nor any of its Subsidiaries, nor, to the knowledge of the Company, any other party to a Material Contract is in violation of any provision of any Material Contract.

(c) The Company has listed on Section 4.20(c) of the Company Disclosure Letter all contracts with Non-Competition Provisions (each, a "**Non-Compete Contract**"). Neither the Company nor any of its Subsidiaries has breached or is in breach of the Non-Competition Provisions of a Non-Compete Contract.

Section 4.21. *Insurance Regulatory Matters.* Except as would not reasonably be expected to be, individually or in the aggregate, material to the Company and its Subsidiaries, taken as a whole:

(a) The Company and each Subsidiary of the Company that conducts the business of insurance or reinsurance (each, an "**Insurance Subsidiary**") has all licenses, franchises, permits, certificates, approvals, registrations or other similar authorizations issued by applicable Governmental Authorities and affecting, or relating to, the operation of its business (the "**Permits**"). Each jurisdiction in which the Company or any Insurance Subsidiary is domiciled, commercially domiciled, licensed, authorized or eligible is set forth in Section 4.21(a) of the Company Disclosure Schedule.

(b) Each of the Permits are valid and in full force and effect, none of the Insurance Subsidiaries is in default under the Permits, none of the Permits will be terminated as a result of the transactions contemplated hereby and neither the Company nor any Insurance Subsidiary has received written notice that an Insurance Subsidiary is in violation of any of the terms or conditions of any Permit or alleging the failure to maintain any Permit, or that would otherwise reasonably be expected to lead to the revocation, failure to renew, limitation, suspension or restriction of any Permit or the authorization or eligibility of the Company or any Insurance Subsidiary to transact the business of insurance.

(c) Each statement, together with all exhibits and schedules thereto, and all actuarial opinions, affirmations and certification required in connection therewith, and all required supplemental materials, filed by each Insurance Subsidiary with any Insurance Department since January 1, 2016 (the "**Statutory Statements**") was prepared in conformity with the statutory accounting practices prescribed by the Insurance Department of the applicable country or state of domicile and applied on a consistent basis ("**SAP**"). Except as set forth in Section 4.21(c) of the Company Disclosure Schedule, each such Statutory Statement presents fairly and in conformity with SAP, the statutory financial condition of such Insurance Subsidiary on the respective date of

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the Statutory Statement, the results of operations, changes in capital and surplus and cash flow of such Insurance Subsidiary for each of the applicable reporting periods, and was correct and complete when filed. Except as set forth in Section 4.21(c) of the Company Disclosure Schedule, no deficiencies or violations have been asserted in writing by any Insurance Department with respect to any such Statutory Statement which have not been cured or otherwise resolved to the satisfaction of such Insurance Department.

(d) The aggregate reserves for insurance losses and loss adjustment expenses, as reflected in each of the Statutory Statements, were (i) computed on the basis of methodologies consistent with those used in computing the corresponding reserves in the prior fiscal years (except as otherwise noted in the financial statements and notes thereto included in such financial statements), (ii) include provisions for all insurance loss and loss adjustment expense reserves and related items reasonably required to be established in accordance with Applicable Laws, (iii) were determined in accordance with generally accepted actuarial standards consistently applied (except as otherwise noted in such Statutory Statements) and (iv) were fairly stated in accordance with sound actuarial principles.

(e) (i) All policies, binders, slips, certificates, and other agreements of insurance issued or distributed by any Insurance Subsidiary in any jurisdiction ("**Insurance Contracts**") have been issued or distributed, to the extent required by Applicable Law, on forms filed with and approved by all applicable Insurance Departments, or not objected to by any such Insurance Department within any period provided for objection, and all such forms comply with Applicable Law, (ii) all premium rates with respect to the Insurance Contracts, to the extent required by Applicable Law, have been filed with and approved by all applicable Insurance Departments or were not objected to by any such Insurance Department within any period provided for objection, (iii) such premium rates comply with Applicable Laws and are within the amount permitted by such Applicable Laws and (iv) each of the Company and each of its Subsidiaries is and has been marketing, selling and issuing Insurance Contracts in compliance in all material respects with all Applicable Laws, all applicable orders and mandatory directives of all insurance regulatory authorities in the respective jurisdictions in which such products have been marketed, issued or sold, have been complied with in connection with the marketing, issuance and sale of Insurance Contracts. There are no insurance policies issued, reinsured or assumed by the Company or any Insurance Subsidiary that are currently in force under which the Company or any of its Subsidiaries may be required to allocate profit or pay dividends to the holders thereof.

(f) All underwriting, management and administration agreements entered into by the Company or any Insurance Subsidiary are, to the extent required by Applicable Law, in forms acceptable to all applicable Insurance Departments or have been filed with and approved by all applicable Insurance Departments or were not objected to by any such Insurance Department within any period provided for objection.

(g) All advertising, promotional, sales and solicitation materials and all product illustrations used by the Company or any Insurance Subsidiary or, to the knowledge of the Company, used by any agent, broker, intermediary, manager or producer employed or engaged by the Company or any Insurance Subsidiary, are in compliance with Applicable Laws.

(h) Each reinsurance contract, treaty or arrangement (including any facultative agreements, indemnity agreements, or other agreements) involving the cession or assumption of reinsurance, coinsurance, excess insurance, or retrocessions and any terminated or expired reinsurance contract, treaty or agreement under which there remains any outstanding liability ("**Reinsurance Contract**"), to which the Company or any Insurance Subsidiary is a party or by which any Insurance Subsidiary is bound or subject is a valid and binding obligation of the parties thereto, is in full force and effect, and is enforceable in accordance with its terms. Neither any Insurance Subsidiary nor, to

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the knowledge of the Company, any other party thereto is in default with regard to any such Reinsurance Contract. There are no disputes pending or, to the knowledge of the Company, threatened with respect to any such Reinsurance Contract. Neither the Company nor any Insurance Subsidiary is or has been since January 1, 2016, party to any contract of financial reinsurance, finite risk insurance or reinsurance or coinsurance that does not transfer sufficient risk to the reinsurer to constitute reinsurance under SAP.

(i) The Company and each Insurance Subsidiary is entitled under Applicable Law to take full credit in its Statutory Statements for all amounts recoverable by it pursuant to any Reinsurance Contract, and all such amounts recoverable have been properly recorded in the books and records of account of the Company and its Insurance Subsidiaries and are properly reflected in the Statutory Statements. To the knowledge of the Company, all such amounts recoverable by the Company or any Insurance Subsidiaries are fully collectible in due course. Except as set forth on Section 4.21(i) of the Company Disclosure Schedule, neither the Company nor any of its Insurance Subsidiaries has received notice in writing that any other party to any Reinsurance Contract intends not to perform fully under any such Reinsurance Contract.

(j) Since January 1, 2016, no rating agency has imposed conditions (financial or otherwise) on retaining any currently held rating assigned to the Company or any Insurance Subsidiary or stated to the Company that it is considering lowering any rating assigned to the Company or any Insurance Subsidiary or placing any Insurance Subsidiary on an "under review" status, except as set forth in Section 4.21(j) of the Company Disclosure Schedule. As of the date of this Agreement, the Company and each Insurance Subsidiary has the ratings set forth in Section 4.21(j) of the Company Disclosure Schedule.

(k) The Company has made available to Parent and the Merger Subs true and complete copies of all material actuarial reports prepared by actuaries, independent or otherwise, from and after January 1, 2016, with respect to the Company or the Insurance Subsidiaries, and all material attachments, addenda, supplements and modifications thereto. There have been no actuarial reports of a similar nature covering the Company or any Insurance Subsidiary in respect of any period subsequent to the latest period covered in such actuarial reports. To the knowledge of the Company, the information and data furnished by the Company and its Subsidiaries to its independent actuaries in connection with the preparation of such actuarial reports were accurate in all material respects for the periods covered in such reports.

Section 4.22. *Finders' Fees.* Except for Citigroup Global Markets Inc., a copy of whose engagement agreement has been provided to Parent, there is no investment banker, financial advisor, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries who might be entitled to any fee or commission from the Company or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

Section 4.23. *Opinion of Financial Advisor.* The Company has received the opinion of Citigroup Global Markets Inc., financial advisor to the Company, to the effect that, as of the date of such opinion and based upon and subject to the various assumptions, limitations, qualifications and other matters set forth therein, the Merger Consideration is fair to the Company's stockholders (other than holders of Excluded Shares or Dissenting Shares) from a financial point of view.

Section 4.24. *Takeover Statutes.* Except for Section 203 of the DGCL, in respect of which the Board of Directors has taken the action described in Section 4.02(b), no "fair price", "moratorium", "control share acquisition" or other similar anti-takeover statute or regulation (each, a "**Takeover Statute**") or any anti-takeover provision in the certificate of incorporation or bylaws is applicable to the Company, the Company Common Stock, the Mergers or the other transactions contemplated by this Agreement.

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Section 4.25. *No Other Representations and Warranties.* Except for the representations and warranties set forth in this Article 4, each of Parent and each of the Merger Subs acknowledges and agrees that no representation or warranty of any kind whatsoever, express or implied, at law or in equity, is made or shall be deemed to have been made by or on behalf of the Company to Parent or the Merger Subs, and the Company hereby disclaims any such representation or warranty, whether by or on behalf of the Company, and notwithstanding the delivery or disclosure to Parent or the Merger Subs, or any of their Representatives or Affiliates of any documentation or other information by the Company or any of its Representatives or Affiliates with respect to any one or more of the foregoing.

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF PARENT

Except as disclosed in any Parent SEC Document filed and publicly available between January 1, 2015 and the date of this Agreement (but excluding any disclosures set forth in any section entitled "Risk Factors" or in any "forward-looking statements" section that are cautionary, forward-looking or predictive in nature set forth therein, in each case other than any specific historical factual information contained therein, which shall not be excluded) but only to the extent that the relevance of such disclosure to the relevant subject matter is reasonably apparent, or, subject to Section 11.05, as set forth in the Parent Disclosure Schedule, Parent represents and warrants to the Company that:

Section 5.01. *Corporate Existence and Power.* Each of Parent, Merger Sub I and Merger Sub II is a corporation or limited liability company duly formed, validly existing and in good standing under the laws of its jurisdiction of formation and has all corporate or limited liability company powers required to carry on its business as now conducted, except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Parent is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where such qualification is necessary, except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Since the date of its formation, neither of the Merger Subs has engaged in any activities other than in connection with or as contemplated by this Agreement. Each Merger Sub was organized solely for the purpose of consummating the Mergers and the transactions contemplated by this Agreement. All of the outstanding shares of capital stock of Merger Sub I have been validly issued, are fully paid and non-assessable and are owned by, and at the Effective Time will be owned by, Parent, free and clear of all Liens. All of the outstanding membership interests of Merger Sub II have been validly issued, are fully paid and non-assessable and are owned by, and at the Subsequent Effective Time will be owned by, Parent, free and clear of all Liens.

Section 5.02. *Corporate Authorization.* The execution, delivery and performance by each of Parent and the Merger Subs of this Agreement and the consummation by Parent and the Merger Subs of the transactions contemplated hereby are within the corporate or limited liability company powers, as applicable, of each of Parent and the Merger Subs and have been duly authorized by all necessary corporate or limited liability company action, as applicable, on the part of each of Parent and the Merger Subs. Each of Parent and the Merger Subs has duly executed and delivered this Agreement, and, assuming due authorization, execution and delivery by the Company, this Agreement constitutes a valid and binding agreement of each of Parent and the Merger Subs, enforceable against each in accordance with its terms (except insofar as such enforceability may be limited by the Enforceability Exceptions).

Section 5.03. *Governmental Authorization.* The execution, delivery and performance by Parent and the Merger Subs of this Agreement and the consummation by Parent and the Merger Subs of the transactions contemplated hereby require no action by or in respect of, or filing by Parent or the Merger Subs with, any Governmental Authority, other than (i) filings and approvals with respect to the Required Insurance Regulatory Filings/Approvals, (ii) the filing of a certificate of merger with respect to Merger I and Merger II with the Delaware Secretary of State and appropriate documents with the

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relevant authorities of other states in which Parent is qualified to do business, (iii) compliance with any applicable requirements of the HSR Act and other Antitrust Law existing in jurisdictions outside of the United States, (iv) compliance with any applicable requirements of the 1933 Act, the 1934 Act and any other applicable state or federal securities laws, (v) compliance with the rules and regulations of any national securities exchange on which securities of Parent are listed and (vi) any other actions or filings (i) required solely by reason of the participation of the Company (as opposed to any Third Party) in the transactions contemplated hereby or (ii) any actions or filings the absence of which would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 5.04. *Non-contravention.* The execution, delivery and performance by Parent and the Merger Subs of this Agreement and the consummation by Parent and the Merger Subs of the transactions contemplated hereby do not and will not (i) contravene, conflict with, or result in any violation or breach of any provision of the certificate of incorporation, bylaws or similar organizational documents, of Parent or the Merger Subs, (ii) assuming compliance with the matters referred to in Section 5.03, contravene, conflict with or result in a violation or breach of any provision of any Applicable Law, (iii) assuming compliance with the matters referred to in Section 5.03, require any consent or other action by any Person under, constitute a default under, or cause or permit the termination or cancellation of any agreement or other instrument binding upon Parent or any of its Subsidiaries or (iv) result in the creation or imposition of any Lien on any asset of the Parent or any of its Subsidiaries, with only such exceptions, in the case of each of clauses (ii) through (iv), as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 5.05. *Capitalization.* (a) The authorized capital stock of Parent consists of (i) 600,000,000 shares of common stock, par value \$0.0001 per share, of which 487,000,000 are designated shares of Parent Common Stock and 113,000,000 are designated shares of FNFV Group common stock, par value \$0.0001 per share ("**FNFV Common Stock**") and (ii) 50,000,000 shares of preferred stock, par value \$0.0001 per share ("**FNF Preferred Stock**"). As of March 16, 2018, there were outstanding 274,485,003 shares of Parent Common Stock, no shares of FNFV Common Stock, no shares of FNF Preferred Stock, 1,832,701 shares of Parent Common Stock underlying restricted stock, 8,473,226 shares of Parent Common Stock underlying stock options (other than rights under Parent's Employee Stock Purchase Plan (such plan, the "**Parent ESPP**" and, along with Parent's 2005 Omnibus Incentive Plan, the "**Parent Stock Plans**") and 4,137,891 shares of Parent Common Stock underlying Parent's 4.25% Convertible Notes due 2018 (the "**Convertible Notes**"), which may be settled solely in cash at Parent's discretion. All outstanding shares of capital stock of Parent have been duly authorized and validly issued, fully paid and are non-assessable.

(b) Except as set forth in this Section 5.05 and for changes since March 15, 2018 resulting from the exercise of stock options, there are no issued, reserved for issuance or outstanding (i) shares of capital stock or other voting securities of or ownership interests in Parent (ii) securities of Parent convertible into or exchangeable for shares of capital stock or other voting securities of or ownership interests in Parent or (iii) warrants, calls, options or other rights to acquire from Parent, or other obligation of Parent to issue, any capital stock, voting securities or securities convertible into or exchangeable for capital stock or voting securities of Parent, except for rights pursuant to the Parent Stock Plans and under Parent's 401(k) Profit Sharing Plan (the "**Parent 401(k) Plan**") or (iv) restricted shares, stock appreciation rights, performance units, "phantom" stock or similar securities or rights that are derivative of any capital stock of or voting securities of Parent (the items in clauses (i) through (iv) being referred to collectively as the "**Parent Securities**"). As of the date of this Agreement, there are no outstanding obligations of Parent or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of the Parent Securities.

(c) Except for the Convertible Notes, as of the date of this Agreement, there are no bonds, debentures, notes or other indebtedness or similar instruments of Parent having the right to vote

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(or convertible into, or exchangeable for, securities having the right to vote) on any matters on which holders of the Parent Common Stock may vote.

Section 5.06. *Subsidiaries.* (a) Each Subsidiary of Parent (i) has been duly organized, (ii) is validly existing and (where applicable) in good standing under the laws of its jurisdiction of organization and (iii) has all organizational powers required to carry on its business as now conducted, except, in each case, as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Each such Subsidiary is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where such qualification is necessary, except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. All material Subsidiaries of Parent and their respective jurisdictions of organization are identified in the Parent 10-K.

(b) All of the outstanding capital stock of or other voting securities of, or ownership interests in, each Subsidiary of Parent have been duly authorized, validly issued and (where applicable) are fully paid and nonassessable, and are owned by Parent, directly or indirectly, free and clear of any Lien. As of March 15, 2018, there were no issued, reserved for issuance or outstanding (i) securities of Parent or any of its Subsidiaries convertible into, or exchangeable for, shares of capital stock or other voting securities of, or ownership interests in, Parent or any Subsidiary of Parent, (ii) warrants, calls, options or other rights to acquire from Parent or any of its Subsidiaries, or other obligations of Parent or any of its Subsidiaries to issue, any capital stock or other voting securities of, or ownership interests in, or any securities convertible into, or exchangeable for, any capital stock or other voting securities of, or ownership interests in, any Subsidiary of Parent or (iii) restricted shares, stock appreciation rights, performance units, contingent value rights, "phantom" stock or similar securities or rights that are derivative of, or provide economic benefits based, directly or indirectly, on the value or price of, any capital stock or other voting securities of, or ownership interests in, any Subsidiary of Parent (the items in clauses (i) through (iii) being referred to collectively as the "**Parent Subsidiary Securities**"). There are no outstanding obligations of Parent or any of its Subsidiaries to repurchase, redeem or otherwise acquire any of Parent Subsidiary Securities.

Section 5.07. *SEC Filings and the Sarbanes-Oxley Act.* (a) Parent has filed with or furnished to the SEC, and made available to the Company, all reports, schedules, forms, statements, prospectuses, registration statements and other documents required to be filed with or furnished to the SEC by Parent since January 1, 2016 (collectively, together with any exhibits and schedules thereto and other information incorporated therein, the "**Parent SEC Documents**").

(b) As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of (and giving effect to) the last such amended or superseded filing) or the date that it is furnished, each Parent SEC Document complied as to form in all material respects with the applicable requirements of the 1933 Act and the 1934 Act, as the case may be.

(c) As of its filing date (or, if amended or superseded by a filing prior to the date of this Agreement, on the date of (and giving effect to) the last such amended or superseded filing) or the date that it is furnished, each Parent SEC Document filed pursuant to the 1934 Act did not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(d) Each Parent SEC Document that is a registration statement, as amended or supplemented, if applicable, filed pursuant to the 1933 Act, as of the date such registration statement or amendment became effective, did not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

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(e) Parent has established and maintains disclosure controls and procedures and internal control over financial reporting (as such terms are defined in paragraphs (e) and (f), respectively, of Rule 13a-15 under the 1934 Act) as required by Rule 13a-15 under the 1934 Act. Parent's disclosure controls and procedures are reasonably designed to ensure that all material information required to be disclosed by Parent in the reports that it files or furnishes under the 1934 Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such material information is accumulated and communicated to Parent's management as appropriate to allow timely decisions regarding required disclosure and to make the certifications required pursuant to Sections 302 and 906 of the Sarbanes-Oxley Act. Parent's management has completed an assessment of the effectiveness of Parent's internal control over financial reporting in compliance with the applicable requirements of Section 404 of the Sarbanes-Oxley Act for the year ended December 31, 2016, and such assessment concluded that such controls were effective. Parent has disclosed to the Company (i) any significant deficiencies in the design or operation of internal controls over financial reporting that are reasonably likely to adversely affect in any material respect Parent's ability to report financial information and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in Parent's internal control over financial reporting, in each case, that was disclosed to Parent's auditors or the audit committee of the Board of Directors of Parent in connection with its most recent evaluation of internal controls over financial reporting prior to the date hereof. To the knowledge of Parent, none of the Parent SEC Documents is the subject of ongoing SEC review or investigation as of the date of this Agreement.

(f) Since January 1, 2016, Parent has complied in all material respects with the applicable listing and corporate governance rules and regulations of the NYSE.

Section 5.08. *Financial Statements.* The audited consolidated financial statements and unaudited consolidated interim financial statements of Parent included or incorporated by reference in the Parent SEC Documents (the "**Parent Financial Statements**") fairly present in all material respects, in conformity with GAAP (except as may be indicated in the notes thereto), the consolidated financial position of Parent and its consolidated Subsidiaries as of the dates thereof and their consolidated results of operations and cash flows for the periods then ended (subject to normal year-end audit adjustments and the absence of footnotes in the case of any unaudited interim financial statements). As of the date hereof, Ernst & Young LLP has not resigned (or informed Parent that it intends to resign) or been dismissed as independent public accountants of Parent as a result of or in connection with any disagreements with Parent over a matter of Parent's accounting principles or practices, financial statement disclosure or auditing scope or procedure.

Section 5.09. *Disclosure Documents.* The Registration Statement shall not at the time the Registration Statement is declared effective by the SEC (or, with respect to any post-effective amendment or supplement, at the time such post-effective amendment or supplement becomes effective) contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The information supplied by Parent for inclusion in the Proxy Statement will not, at the time the Proxy Statement and any amendments or supplements thereto is first mailed to the stockholders of the Company and at the time of the Company Stockholder Approval, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. The representations and warranties contained in this Section 5.09 will not apply to statements or omissions included or incorporated by reference in the Proxy Statement based upon information supplied by the Company or any of its representatives or advisors specifically for use or incorporation by reference therein.

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Section 5.10. *Absence of Certain Changes.* (a) Since December 31, 2017 (the "**Parent Balance Sheet Date**"), the business of Parent and its Subsidiaries has been conducted in the ordinary course consistent with past practices in all material respects and there has not been any event, occurrence, development or state of circumstances or facts that has had or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(b) From the Parent Balance Sheet Date until the date hereof, there has not been any action taken by the Parent or any of its Subsidiaries that, if taken during the period from the date of this Agreement through the Effective Time without the Company's consent, would constitute a breach of Section 7.01.

Section 5.11. *No Undisclosed Material Liabilities.* There are no liabilities of Parent or any of its Subsidiaries of any kind that would be required under GAAP to be disclosed and provided for in a consolidated balance sheet of Parent, other than: (i) liabilities disclosed and provided for in the Parent Financial Statements or in the notes thereto; (ii) liabilities incurred in the ordinary course of business since the Parent Balance Sheet Date; (iii) liabilities or obligations incurred in connection with the transactions contemplated hereby; and (iv) liabilities that would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. Neither Parent nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off-balance sheet partnership or any similar contract relating to any transaction or relationship between or among Parent and any of its Subsidiaries, on the one hand, and any unconsolidated Affiliate (including any structured finance, special purpose or limited purpose entity or Person), on the other hand, or any "off-balance sheet arrangement" (as defined in Item 303(a) of Regulation S-K of the 1933 Act), where the result, purpose or effect of such contract is to avoid disclosure in the Parent SEC Documents of any transaction involving, or liabilities of, Parent or any of its Subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

Section 5.12. *Compliance with Laws and Court Orders.* (a) Parent and each of its Subsidiaries hold all licenses, franchises, permits and authorizations necessary for the lawful conduct of their respective businesses under and pursuant to, and has been and is in compliance with in all respects, and to the knowledge of Parent is not under investigation with respect to and has not been threatened in writing to be charged with or given written notice of any violation of, all Applicable Laws, except for failures to hold such licenses, franchises, permits and authorizations and for failures to comply or violations, in each case, that would not reasonably be expected to be, individually or in the aggregate, material to Parent and its Subsidiaries taken as a whole.

(b) Parent and each of its Subsidiaries has properly administered all accounts for which it acts as a fiduciary, including accounts for which it serves as a trustee, agent, custodian, personal representative, guardian, or conservator, in accordance with the terms of the governing documents and Applicable Law, except as would not reasonably be expected to be, individually or in the aggregate, material to Parent and its Subsidiaries taken as a whole. Neither Parent nor any of its Subsidiaries, or any director, officer or employee of Parent or of any of its Subsidiaries, has committed any breach of fiduciary duty with respect to any such fiduciary account and the accountings for each such fiduciary account are true and correct and accurately reflect the assets of such fiduciary account, except as would not reasonably be expected to be, individually or in the aggregate, material to Parent and its Subsidiaries taken as a whole.

Section 5.13. *Litigation.* Other than (i) ordinary course claims under Parent Insurance Contracts for amounts of \$7,500,000 or less or (ii) claims for amounts of \$2,000,000 or less, as of the date hereof, there is no action, suit, investigation or proceeding pending against, or, to the knowledge of Parent, threatened in writing against or affecting, Parent or any of its Subsidiaries before (or, in the case of threatened actions, suits, investigations or proceedings, would be before) or by any Governmental

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Authority, that would reasonably be expected to be, individually or in the aggregate, material to Parent and its Subsidiaries, taken as a whole.

Section 5.14. *Taxes.* Except as would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect:

(a) All Tax Returns required by Applicable Law to be filed with any Taxing Authority by, or on behalf of, Parent or any of its Subsidiaries have been filed when due in accordance with all Applicable Law, and all such Tax Returns are true, correct and complete in all respects.

(b) Parent and each of its Subsidiaries has paid (or has had paid on its behalf) or has withheld and remitted to the appropriate Taxing Authority all Taxes due and payable, or, where payment is not yet due, has established (or has had established on its behalf and for its sole benefit and recourse) in accordance with GAAP an adequate accrual for all Taxes through the end of the last period for which Parent and its Subsidiaries ordinarily record items on their respective books.

(c) The income and franchise Tax Returns of Parent and its Subsidiaries through the Tax year ended December 31, 2012 have been examined and closed or are Tax Returns with respect to which the applicable period for assessment under Applicable Law, after giving effect to extensions or waivers, has expired.

(d) There is no claim, audit, action, suit, proceeding or investigation now pending or, to the knowledge of Parent, threatened against or with respect to Parent or its Subsidiaries in respect of any Tax or Tax asset.

(e) During the two-year period ending on the date hereof, neither Parent nor any of its Subsidiaries was a distributing corporation or a controlled corporation in a transaction intended to be governed by Section 355 of the Code.

(f) There is no claim currently outstanding by any Taxing Authority in a jurisdiction where Parent and/or Parent's Subsidiaries do not file Tax Returns that the Company or any of its Subsidiaries is subject to taxation by, or required to file any Tax Return in, that jurisdiction.

Section 5.15. *Tax Treatment.* Neither Parent nor any of its Subsidiaries has taken or agreed to take any action or knows of any fact or circumstance that would prevent the Mergers from qualifying as a 368 Reorganization.

Section 5.16. *Employee Matters.*

(a) Neither the Parent nor any ERISA Affiliate thereof sponsors, maintains or contributes to, or has during the past six (6)-year period preceding the Closing, sponsored, maintained or contributed to, any Parent Employee Plan subject to Title IV of ERISA. None of the Parent, any of its Subsidiaries or any of their ERISA Affiliates has engaged in any transaction described in Section 4069 or Section 4212(c) of ERISA.

(b) Each Parent Employee Plan that is intended to be qualified under Section 401(a) of the Code has received a favorable determination letter or opinion letter from the Internal Revenue Service or has applied to the Internal Revenue Service for such a letter within the applicable remedial amendment period or such period has not expired, and, to the knowledge of Parent, there are no existing circumstances and no events have occurred that would reasonably be expected to adversely affect the qualified status of any Parent Employee Plan.

(c) Each Parent Employee Plan has been maintained in compliance with its terms and all Applicable Law, including ERISA and the Code, except for failures to comply that have not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect. No action, suit, investigation, audit, proceeding or claim (other than routine claims

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for benefits) is pending against or involves or, to the knowledge of Parent, is threatened against or threatened to involve, any Parent Employee Plan before any Governmental Authority, including the Internal Revenue Service, the Department of Labor or the PBGC, which, individually or in the aggregate, if determined or resolved adversely in accordance with the plaintiff's demands, would reasonably be expected to have a Parent Material Adverse Effect.

(d) The Parent and its Subsidiaries are in compliance with all Applicable Laws relating to labor and employment, except for failures to comply that have not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

(e) Neither the Parent nor any of its Subsidiaries is a party to or subject to, or is currently negotiating in connection with entering into, any collective bargaining agreement. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, there are no material unfair labor practice complaints pending or, to the knowledge of Parent, threatened against the Parent or any of its Subsidiaries before the National Labor Relations Board or any other Governmental Authority or any current union representation questions involving any director, officer, employee or individual independent contractor (including any former director, officer, employee or individual independent contractor) of the Parent or any of its Subsidiaries with respect to the Parent or its Subsidiaries. There is no labor strike, slowdown, stoppage, picketing, interruption of work or lockout pending or, to the knowledge of Parent, threatened against or affecting the Parent or any of its Subsidiaries.

Section 5.17. *Finders' Fees.* There is no investment banker, financial advisor, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Parent or either of the Merger Subs who might be entitled to any fee or commission from Parent or any of its Affiliates upon consummation of the transactions contemplated by this Agreement.

Section 5.18. *Financing.* Parent will have no later than the date they become due, funds available to it to satisfy all of Parent's payment obligations under this Agreement (including payment of the Merger Consideration as contemplated in Section 2.02(a)).

Section 5.19. *Ownership of Shares.* Neither Parent nor either of the Merger Subs is, or at any time during the last three (3) years has been, an "interested stockholder" of the Company within the meaning of Section 203 of the DGCL. Prior to and as of the date of this Agreement, neither Parent nor either of the Merger Subs has taken, or authorized any Representative of Parent or either of the Merger Subs to take, or has knowledge that any Representative of Parent or either of the Merger Subs has taken, any action that would cause either Parent or either of the Merger Subs to be deemed an "interested stockholder" within the meaning of Section 203 of the DGCL. Neither Parent nor either of the Merger Subs nor any of their affiliates or associates (as defined in Section 203 of the DGCL) owns (within the meaning of Section 203 of the DGCL) any Company Common Stock or other Company Securities or holds any rights to acquire any Company Common Stock or other Company Securities, except pursuant to this Agreement.

Section 5.20. *Absence of Certain Agreements.* As of the date hereof, neither Parent nor any of its Affiliates has entered into any contract, arrangement or understanding (in each case, whether oral or written), or authorized, committed or agreed to enter into any contract, arrangement or understanding (in each case, whether oral or written), pursuant to which: (a) any stockholder of the Company would be entitled to receive consideration of a different amount or nature than the Merger Consideration or (b) any Third Party has agreed to provide, directly or indirectly, equity capital to Parent or the Company to finance in whole or in part the Mergers or the other transactions contemplated by this Agreement.

Section 5.21. *Management Agreements.* Other than this Agreement, as of the date hereof, there are no contracts, undertakings, commitments, agreements or obligations or understandings between

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Parent or either of the Merger Subs or any of their Affiliates, on the one hand, and any member of the Company's management or the Company's Board of Directors, on the other hand, relating in any way to the transactions contemplated by this Agreement or the operations of the Surviving Entity after the Subsequent Effective Time.

Section 5.22. *Insurance Regulatory Matters.* Except as would not reasonably be expected to be, individually or in the aggregate, material to Parent and its Subsidiaries, taken as a whole:

(a) Parent and each Subsidiary of Parent that conducts the business of insurance or reinsurance (each, a "**Parent Insurance Subsidiary**") has all material Permits.

(b) Each of the Permits are valid and in full force and effect, none of the Parent Insurance Subsidiaries is in default under the Permits, none of the Permits will be terminated as a result of the transactions contemplated hereby and neither Parent nor any Parent Insurance Subsidiary has received written notice that a Parent Insurance Subsidiary is in violation of any of the terms or conditions of any Permit or alleging the failure to maintain any Permit, or that would otherwise reasonably be expected to lead to the revocation, failure to renew, limitation, suspension or restriction of any Permit or the authorization or eligibility of Parent or any Parent Insurance Subsidiary to transact the business of insurance.

(c) Each statement, together with all exhibits and schedules thereto, and all actuarial opinions, affirmations and certification required in connection therewith, and all required supplemental materials, filed by each Parent Insurance Subsidiary with any Insurance Department since January 1, 2016 (the "**Parent Statutory Statements**") was prepared in conformity with the statutory accounting practices prescribed by the Insurance Department of the applicable country or state of domicile in conformity with SAP. Except as set forth in Section 5.22(c) of the Parent Disclosure Schedule, each such Parent Statutory Statement presents fairly and in conformity with SAP, the statutory financial condition of such Parent Insurance Subsidiary on the respective date of the Parent Statutory Statement, the results of operations, changes in capital and surplus and cash flow of such Parent Insurance Subsidiary for each of the applicable reporting periods, and was correct and complete when filed. Except as set forth in Section 5.22(c) of the Parent Disclosure Schedule, no deficiencies or violations have been asserted in writing by any Insurance Department with respect to any such Parent Statutory Statement which have not been cured or otherwise resolved to the satisfaction of such Insurance Department.

(d) (i) All policies, binders, slips, certificates, and other agreements of insurance issued or distributed by any Parent Insurance Subsidiary in any jurisdiction ("**Parent Insurance Contracts**") have been issued or distributed, to the extent required by Applicable Law, on forms filed with and approved by all applicable Insurance Departments, or not objected to by any such Insurance Department within any period provided for objection, and all such forms comply with Applicable Law, (ii) all premium rates with respect to the Insurance Contracts, to the extent required by Applicable Law, have been filed with and approved by all applicable Insurance Departments or were not objected to by any such Insurance Department within any period provided for objection, (iii) such premium rates comply with Applicable Laws and are within the amount permitted by such Applicable Laws and (iv) each of Parent and each of its Subsidiaries is and has been marketing, selling and issuing Parent Insurance Contracts in compliance in all material respects with all Applicable Laws, all applicable orders and mandatory directives of all insurance regulatory authorities in the respective jurisdictions in which such products have been marketed, issued or sold, have been complied with in connection with the marketing, issuance and sale of Parent Insurance Contracts. There are no insurance policies issued, reinsured or assumed by Parent or any Parent Insurance Subsidiary that are currently in force under which Parent or any of its Subsidiaries may be required to allocate profit or pay dividends to the holders thereof.

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(e) All underwriting, management and administration agreements entered into by Parent or any Parent Insurance Subsidiary are, to the extent required by Applicable Law, in forms acceptable to all applicable Insurance Departments or have been filed with and approved by all applicable Insurance Departments or were not objected to by any such Insurance Department within any period provided for objection.

Section 5.23. *Acknowledgment by Parent and the Merger Subs.* Except for the representations and warranties of the Company made in Article 4 of this Agreement, neither Parent nor either of the Merger Subs is relying on, or has relied on, any other representations or warranties, either express or implied, with respect to the Mergers, the Company and its Subsidiaries and their respective businesses, operations, assets, liabilities, financial condition, results of operations, future operating or financial results, estimates, projections, forecasts, plans or prospects (including the reasonableness of the assumptions underlying such estimates, projections, forecasts, plans or prospects), or on the accuracy or completeness of any projections, forecasts or other estimates, plans or budgets of future revenues, expenses or expenditures, future results of operations (or any component thereof), future cash flows (or any component thereof) or future financial condition (or any component thereof) of the Company or any of its Subsidiaries or the future business, operations or affairs of the Company or any of its Subsidiaries heretofore or hereafter delivered to or made available to Parent, the Merger Subs or their respective Representatives or Affiliates.

ARTICLE 6
COVENANTS OF THE COMPANY

The Company agrees that:

Section 6.01. *Conduct of the Company.* Except with the prior written consent of Parent (which consent shall not be unreasonably withheld or delayed), as expressly contemplated by this Agreement, as set forth in Section 6.01 of the Company Disclosure Schedule or as required by Applicable Law, from the date hereof until the Effective Time, the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the ordinary course and use commercially reasonable efforts to preserve intact its business organizations and relationships with Third Parties. Without limiting the generality of the foregoing, except with the prior written consent of Parent (which consent shall not be unreasonably withheld or delayed), as expressly contemplated by this Agreement, as set forth in Section 6.01 of the Company Disclosure Schedule or as required by Applicable Law, the Company shall not, nor shall it permit any of its Subsidiaries to:

(a) amend its certificate of incorporation, bylaws or other similar organizational documents;

(b) (i) split, combine or reclassify any shares of its capital stock, (ii) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, except for (A) dividends by any of its wholly-owned Subsidiaries and (B) regular quarterly cash dividends by the Company with customary record and payment dates on the shares of Company Common Stock not in excess of \$0.30 per share per quarter (appropriately adjusted to reflect any stock dividends, subdivisions, splits, combinations or other similar events) or (iii) redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any Company Securities or any Company Subsidiary Securities;

(c) (i) issue, deliver, pledge, dispose of, grant, encumber or sell, or authorize the issuance, delivery, pledge, disposal, grant, encumbrance or sale of, any shares of any Company Securities or Company Subsidiary Securities, other than (A) the issuance of any shares of Company Common Stock upon the vesting or settlement of Company Equity Awards that are outstanding on the date of this Agreement in accordance with the terms of such Company Equity Awards or are granted after the date of this Agreement to the extent permitted by this Agreement, (B) the grant of Company RSUs and Company PSUs to employees of the Company or any of its Subsidiaries in

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connection with the Company's annual equity award grant procedures or in connection with promotions or new hires, in each case, conducted in the ordinary course of business and consistent with past practice and in an amount not to exceed that set forth on Section 6.01(c)(i) of the Company Disclosure Letter, (C) the grant of Company Common Stock to non-employee directors in the ordinary course of business, consistent with past practice and in an amount not to exceed that set forth on Section 6.01(c)(i) of the Company Disclosure Letter, (D) the issuance of any Company Subsidiary Securities to the Company or any other Subsidiary of the Company and (E) sales or dispositions of Company Subsidiary Securities permitted pursuant to Section 6.01(e) or (ii) amend any term of any Company Security or any Company Subsidiary Security;

(d) acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any material amount of assets, securities, properties, interests or businesses, other than (i) pursuant to existing contracts or commitments as set forth on Section 6.01(d) of the Company Disclosure Schedule or (ii) in the ordinary course of business consistent with past practice; *provided, however* that the value of such acquisitions made in reliance on the exception set forth in clause (ii) shall not exceed \$5,000,000 per acquisition or \$15,000,000 in the aggregate; *and further provided, however*, that any such acquisitions made in reliance on the exceptions set forth in clause (i) or (ii) shall not be permitted to include any non-competition restrictions applicable to the Company, Parent or any of their respective Affiliates;

(e) sell, lease or otherwise transfer any of its material assets, securities, properties, interests or businesses, other than (i) pursuant to existing contracts or commitments as set forth on Section 6.01(e) of the Company Disclosure Schedule or (ii) in the ordinary course of business consistent with past practice; *provided, however* that the value of such sales, leases or other transfers made in reliance on the exception set forth in clause (ii) shall not exceed \$5,000,000 per sale, lease or transfer or \$15,000,000 in the aggregate; *and further provided, however*, that any such sales, leases or other transfers made in reliance on the exceptions set forth in clause (i) or (ii) shall not be permitted to include any non-competition restrictions applicable to the Company, Parent or any of their respective Affiliates;

(f) merge or consolidate the Company or any of its Subsidiaries with any other Person, except for any such transactions solely among wholly-owned Subsidiaries of the Company not in violation of any instrument binding on the Company or any of its Subsidiaries and that would not reasonably be expected to result in a material increase in the net Tax liability of the Company and its Subsidiaries taken as a whole; *and provided, however*, that any such transactions shall not be permitted to include any non-competition restrictions applicable to the Company, Parent or any of their respective Affiliates;

(g) other than in connection with actions permitted by Section 6.01(d), make any material loans, advances or capital contributions to, or investments in, any other Person (other than loans or advances among the Company and any of its wholly-owned Subsidiaries and capital contributions to or investments in its wholly-owned Subsidiaries), other than any such loans, advances or capital contributions to, or investments in, any other Person for amounts of \$1,000,000 or less each or \$2,500,000 in the aggregate;

(h) incur any indebtedness for borrowed money or financial guarantees thereof, other than (i) pursuant to any agreements in effect as of the date hereof, (ii) any indebtedness or guarantee incurred in the ordinary course of business or (iii) indebtedness incurred between the Company and any of its wholly-owned Subsidiaries or between any of such wholly-owned Subsidiaries or guarantees by the Company of indebtedness of any wholly-owned Subsidiary of the Company;

(i) except as required by Applicable Law or Company Employee Plans, (i) grant or increase any severance or termination pay to, or enter into or amend any existing severance, or termination pay arrangement with any current or former employees; (ii) increase the compensation provided to

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any Company Employee, directors or independent contractors of the Company or any of its Subsidiaries (other than increases in the ordinary course of business consistent with past practice to Company Employees with annual target cash compensation less than \$400,000); (iii) establish, adopt, enter into or materially amend any Employee Plan or collective bargaining agreement; (iv) accelerate the vesting or payment of, or otherwise fund or secure the payment of, any compensation or benefits under any Employee Plan; or (v) hire or promote, or terminate or demote (other than for cause) any Company Employee with annual target cash compensation greater than \$400,000;

(j) change the Company's methods of accounting, except as required by concurrent changes in GAAP or in Regulation S-X of the 1934 Act, as agreed to by its independent public accountants;

(k) (i) make or change any material Tax election, (ii) change any annual Tax accounting period or adopt or change any method of Tax accounting, in each case, relating to a material amount of Tax, or (iii) settle or compromise any material amount of Tax liability;

(l) settle, or offer or propose to settle, (i) any material litigation, investigation, arbitration, proceeding or other claim involving or against the Company or any of its Subsidiaries, (ii) any stockholder litigation or dispute against the Company or any of its officers or directors or (iii) any litigation, arbitration, proceeding or dispute that relates to the transactions contemplated hereby, other than (A) any claims for amounts not exceeding, in the aggregate, the amount reserved on the Company's balance sheet as shown on Section 6.01(1)(iii)(A) of the Company Disclosure Schedule, or, for matters not reserved on the Company's balance sheet as of the date hereof, any settlement that does not exceed \$1.75 million individually, (B) any claim under an Insurance Contract or Reinsurance Contract or (C) subject to Section 6.01(1)(iii)(A), any litigation, investigation, arbitration, proceeding or other claim that would not reasonably be expected to prohibit or materially restrict the Company and its Subsidiaries from operating their business in substantially the same manner as operated on the date of this Agreement or require the waiver or release of any material rights or claims;

(m) (A) voluntarily terminate, modify or amend in any respect materially adverse to the Company or any of its Subsidiaries any Material Contract other than the expiration or renewal of any Material Contract in accordance with its terms, or enter into any contract, agreement, or arrangement that would have been a Material Contract if entered into prior to the date hereof (other than replacement contracts, agreements or arrangements to replace expired or terminated Material Contracts on substantially similar terms), (B) waive any material term of, or waive any material default under, any Material Contract, (C) enter into any contract which contains a change of control or similar provision that would require a material payment to the other party or parties thereto solely as a result of the consummation of the Merger or the other transactions contemplated herein, or (D) enter into any Non-Compete Contract;

(n) knowingly take any action that would reasonably be expected to adversely affect in any material respect the likelihood that the waiting period (or any extension thereof) under the HSR Act expires or is terminated or materially delayed or that any other antitrust or insurance approval would not be obtained or materially delayed; or

(o) agree, resolve or commit to do any of the foregoing.

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Section 6.02. *Company Stockholder Meeting.* The Company shall cause a meeting of its stockholders (the "**Company Stockholder Meeting**") to be duly called and held as soon as reasonably practicable (but in no event later than forty-five (45) days after the Registration Statement is declared effective under the 1933 Act) for the purpose of voting on the approval and adoption of this Agreement and the Mergers. Subject to Section 6.03, the Board of Directors shall (i) recommend approval and adoption of this Agreement, the Mergers and the other transactions contemplated hereby by the Company's stockholders, (ii) use its reasonable best efforts to obtain the Company Stockholder Approval and (iii) otherwise comply with all legal requirements applicable to such meeting. The Company may, without the prior written consent of Parent, adjourn or postpone the Company Stockholder Meeting, after consultation with Parent, if the Company believes in good faith that such adjournment or postponement is reasonably necessary to allow reasonable additional time to (x) solicit additional proxies necessary to obtain the Company Stockholder Approval, or (y) distribute any supplement or amendment to the Proxy Statement that the Board of Directors has determined in good faith after consultation with outside legal counsel is necessary under Applicable Laws and for such supplement or amendment to be reviewed by the Company's shareholders prior to the Company Stockholder Meeting.

Section 6.03. *No Solicitation; Other Offers.* (a) *General Prohibitions.* The Company and its Subsidiaries shall not, and the Company shall use its reasonable best efforts not to permit any of its or their officers, directors, employees, investment bankers, attorneys, accountants, consultants or other agents or advisors ("**Representatives**") to, directly or indirectly, (i) solicit, initiate or knowingly take any action to knowingly facilitate or knowingly encourage the submission of any Acquisition Proposal, (ii) enter into or participate in any discussions or negotiations with, furnish any information relating to the Company or any of its Subsidiaries or afford access to the business, properties, assets, books or records of the Company or any of its Subsidiaries to, or otherwise knowingly cooperate in any way with any Third Party that is seeking to make, or has made, an Acquisition Proposal, (iii) withhold, withdraw, amend, qualify or modify in a manner adverse to Parent, or publicly propose to withhold, withdraw, amend, qualify or modify in a manner adverse to Parent, the Company Board Recommendation (or publicly approve, publicly endorse or recommend an Acquisition Proposal) (any of the foregoing in this clause (iii), an "**Adverse Recommendation Change**") or (iv) enter into any agreement in principle, letter of intent, term sheet, merger agreement, acquisition agreement, option agreement or other similar instrument relating to an Acquisition Proposal. Any breach of this Section 6.03 by the Company's officers or directors or any of the Company's or its Subsidiaries' Representatives acting at the direction of an officer or director of the Company (and, for the avoidance of doubt, only a breach by such persons) shall be deemed a breach by the Company.

(b) *Exceptions.*

(i) Notwithstanding Section 6.03(a), if after the date of this Agreement, but prior to the adoption of this Agreement by the Company's stockholders, the Company receives a *bona fide* Acquisition Proposal that did not result from a material breach by the Company of Section 6.03(a), which the Board of Directors determines in good faith, after consultation with the Company's financial advisors, constitutes or could reasonably be expected to result in a Superior Proposal, the Company may: (A) engage in negotiations or discussions with such Third Party and its Representatives with respect to such Acquisition Proposal and (B) furnish to such Third Party or its Representatives non-public information relating to the Company or any of its Subsidiaries pursuant to a confidentiality agreement with confidentiality obligations no less favorable to the Company than those contained in the confidentiality agreement dated October 4, 2017 between the Company and Parent (the "**Confidentiality Agreement**"); *provided* that all such information (to the extent that such information has not been previously provided or made available to Parent) is provided or made available to Parent, as the case may be, prior to or substantially concurrently with the time it is provided or made available to such Third Party; *provided, however*, that the Company shall provide written notice to Parent

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as soon as reasonably practicable before taking any of the actions described in clauses "(A)" and "(B)" above.

(ii) Notwithstanding Section 6.03(a), at any time after the date of this Agreement but prior to the adoption of this Agreement by the Company's stockholders, the Board of Directors may: (A) make an Adverse Recommendation Change only in response to (I) the Company receiving a *bona fide* written Acquisition Proposal that constitutes a Superior Proposal that did not arise from a material breach by the Company of Section 6.03(a) of this Agreement or (II) an Intervening Event; or (B) if the Company has complied in all material respects with Section 6.03(c), cause the Company to terminate this Agreement and, substantially concurrently with, and as a condition to such termination, cause the Company to enter into a definitive written agreement providing for such Superior Proposal, if and only if, in each case of clauses "(A)" and "(B)" above, (x) the Board of Directors determines in good faith, after consulting with and receiving advice from outside counsel, that the failure to (1) effect an Adverse Recommendation Change or (2) terminate this Agreement and enter into a definitive written agreement providing for a Superior Proposal, in each case, would reasonably be expected to be inconsistent with its fiduciary duties under the DGCL and (y) the Company complies with the provisions of Section 6.03(c) in all material respects.

In addition, nothing contained herein shall prevent the Board of Directors from (i) complying with Rule 14e-2(a) under the 1934 Act with regard to an Acquisition Proposal or (ii) issuing a "stop, look and listen" disclosure or similar communication of the type contemplated by Rule 14d-9(f) under the 1934 Act; *provided, however*, that with respect to the foregoing clause (i), any such action taken or statement or disclosure made that relates to an Acquisition Proposal shall be deemed to be an Adverse Recommendation Change unless the Board of Directors reaffirms the Company Board Recommendation in such statement or disclosure or in connection with such action.

(c) *Required Notices.*

(i) Subject to Section 6.03(c)(ii), no Adverse Recommendation Change may be made in response to a Superior Proposal or Intervening Event and no termination of this Agreement in accordance with Section 6.03(b)(ii) may be made: (A) until the fourth (4th) Business Day following Parent's receipt of written notice from the Company advising Parent that the Board of Directors intends to, as applicable, make such Adverse Recommendation Change or terminate this Agreement in accordance with Section 6.03(b)(ii) (each, a "**Company Board Recommendation Notice**"), which notice shall specify (1) in the case of such an action taken in connection with a Superior Proposal, the terms and conditions of such Superior Proposal (including the identity of the Person making such Superior Proposal and a copy of the then-current forms of all of the relevant proposed transaction documents related thereto, including definitive agreements with respect to such Superior Proposal) or (2) if the basis of the proposed action by the Board of Directors is an Intervening Event, a reasonably detailed description of the Intervening Event (it being understood and agreed that the delivery of a Company Board Recommendation Notice shall not, in and of itself, constitute an Adverse Recommendation Change); and (B) unless the Company shall have, (x) during the four (4) Business Day period specified above (and any additional period related to a revision to the Superior Proposal, as provided in Section 6.03(c)(ii)), negotiated, and directed the Company's financial advisors and legal counsel to negotiate, with Parent in good faith (to the extent Parent indicates in writing to the Company that Parent desires to negotiate) with respect to proposed adjustments to the terms and conditions of this Agreement agreed to be made in writing by Parent so that such Superior Proposal ceases to constitute a Superior Proposal (or, in the case of a Company Board Recommendation Notice that is related to an Intervening Event, so that the failure to make such Adverse Recommendation Change would no longer be reasonably be expected to be inconsistent with the Board of Directors' fiduciary

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duties under the DGCL) and no such agreement is reached and (y) substantially concurrently with the termination of this Agreement pursuant to Section 6.03(b)(ii), pay the Termination Fee as forth in Section 11.04(b)(i)(A).

(ii) The parties agree that, in the case of such actions taken in connection with a Superior Proposal, any material amendment to the financial terms or other material terms of such Superior Proposal shall require a new Company Board Recommendation Notice and an additional two (2) Business Day period (the period inclusive of all such days, the "**Notice Period**"). The Company agrees that the Company shall take into account all changes to the terms of this Agreement agreed to be made in writing by Parent in determining whether such Acquisition Proposal continues to constitute a Superior Proposal. The Company shall promptly keep Parent informed of all material developments affecting the material terms of any such Superior Proposal (and the Company shall provide Parent with copies of any additional relevant proposed transaction documents related thereto).

(iii) The Company shall notify Parent promptly (but in any event within twenty four (24) hours) of the receipt of any written Acquisition Proposal and a summary of the material terms and conditions thereof but excluding the identity of the Third Party making such Acquisition Proposal. The Company shall keep Parent reasonably informed on a prompt and timely basis of the status and material details of any such Acquisition Proposal and with respect to any material change to the terms of any such Acquisition Proposal within twenty four (24) hours of such material change.

(d) *Definition of Superior Proposal.* For purposes of this Agreement, "**Superior Proposal**" means a *bona fide*, unsolicited Acquisition Proposal for more than fifty percent (50%) of the outstanding shares of Company Common Stock or all or substantially all of the consolidated assets of the Company and its Subsidiaries on terms that the Board of Directors determines in good faith by a majority vote, after consultation with the Company's financial advisors and outside legal counsel, are more favorable to the Company's stockholders from a financial point of view than as provided hereunder, taking into account the relevant legal, financial and regulatory aspects of such Acquisition Proposal and all other relevant factors, and any changes to the terms of this Agreement that as of that time had been agreed to be made in writing by Parent in response to such Acquisition Proposal as contemplated by Section 6.03(c).

(e) *Obligation to Terminate Existing Discussions.* Subject to the other provisions of this Section 6.03, the Company and its Subsidiaries shall, and the Company shall use its reasonable best efforts to cause its Representatives to, cease immediately and cause to be terminated any and all existing activities, discussions or negotiations, if any, with any Third Party and its Representatives conducted prior to the date hereof with respect to any Acquisition Proposal.

Section 6.04. *Access to Information.* From the date hereof until the Effective Time and subject to Applicable Law and the Confidentiality Agreement, the Company shall (i) give to Parent and its Representatives, upon reasonable notice, reasonable access to the offices, properties, books and records and the executive team (and an integration team of employees designated by the executive team) of the Company and its Subsidiaries, (ii) furnish to Parent and its Representatives such financial and operating data in the Company's possession as such Persons may reasonably request, (iii) instruct its Representatives to cooperate reasonably with Parent in its investigation of the Company and its Subsidiaries, (iv) provide Parent with reasonable notice of and the opportunity to participate jointly with the Company in the employee/town hall meetings in connection with the Mergers set forth on Section 6.04 of the Company Disclosure Schedule, and (v) provide Parent with reasonable notice of and the opportunity to participate jointly with the Company in customer calls that are requested by the Company's customers in connection with the Mergers. Any investigation pursuant to this Section 6.04 shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of the Company and its Subsidiaries. Nothing in this Section 6.04 shall require the Company to provide

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any access, or to disclose any information (A) if providing such access or disclosing such information would violate any Applicable Law (including Antitrust Law and privacy laws) or binding agreement entered into prior to the date of this Agreement or (B) protected by attorney-client privilege to the extent such privilege cannot be protected by the Company through exercise of its commercially reasonable efforts. In the event that the Company does not provide access or information in reliance on the preceding sentence, it shall use its reasonable best efforts to communicate the applicable information to Parent in a way that would not violate the foregoing restrictions, including by providing such information in redacted form as necessary to preserve such a privilege or comply with such Law or otherwise make appropriate substitute disclosure arrangements, to the extent reasonably practicable. All information exchanged pursuant to this Section 6.04 shall be subject to the Confidentiality Agreement.

Section 6.05. *Transaction Committee.* From the date hereof until the Effective Time, a committee of the Board of Directors (the "**Transaction Committee**") initially comprised of those members of the Board of Directors set forth on Section 6.05 of the Company Disclosure Schedule shall be responsible for overseeing (i) actions taken by the Company and its Subsidiaries in connection with obtaining the Required Antitrust Regulatory Filings/Approvals and the Required Insurance Regulatory Filings/Approvals, (ii) the administration of the Retention Plan, (iii) the performance of the Company's obligations under this Agreement and (iv) all other actions taken by the Company and its Subsidiaries in furtherance of completing the Mergers (collectively, the "**Specified Transaction Matters**"). The Transaction Committee shall initially designate John Killea, Matthew Morris, David Hisey and Ann Manal as the Company executives responsible for execution of the Specified Transaction Matters, and Messrs. Killea, Morris and Hisey and Ms. Manal shall report directly to the Transaction Committee with respect to such Specified Transaction Matters. In the event that a senior executive of Parent desires to discuss any issue or matter arising from or related to the Specified Transaction Matters with the Company, they should consider Messrs. Killea, Morris and Hisey and Ms. Manal to be the designated contact persons of the Company for the purposes of discussing any such issues or matters; provided that, for the avoidance of doubt, the foregoing shall not relieve any of Parent, the Merger Subs or the Company from any obligation to provide any notice otherwise required by this Agreement in accordance with Section 11.01.

Section 6.06. *Retention Plan.* Within fifteen (15) days following the date hereof, the Company shall develop, in consultation with Parent, a cash retention plan with an aggregate value of \$12-15 million (the "**Retention Plan**") to be allocated to the Company's top business producers and other key personnel (in each case, as selected by the Company in consultation with Parent), such that fifty percent (50%) of the payments to be made to individuals under the Retention Plan shall be paid as promptly as practicable following the Closing Date and the remaining fifty percent (50%) shall be paid on the date that is twelve (12) months from the Closing Date (or as promptly as practicable thereafter).

ARTICLE 7
COVENANTS OF PARENT

Parent agrees that:

Section 7.01. *Conduct of Parent.* (a) Except with the prior written consent of the Company (which consent shall not be unreasonably withheld or delayed), as expressly contemplated by this Agreement, as set forth in Section 7.01 of the Parent Disclosure Schedule or as required by Applicable Law, Parent shall not, nor shall it permit any of its Subsidiaries to:

- (i) amend its certificate of incorporation, bylaws or other similar organizational documents in a manner that would disproportionately affect the Company's shareholders in their capacity as Parent's stockholders (*i.e.*, assuming consummation of the transactions contemplated hereby) as compared to Parent's other stockholders;

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(ii) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of Parent (other than the Mergers);

(iii) (A) split, combine or reclassify any shares of its capital stock, (B) declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock, except for (1) dividends by any of its wholly owned Subsidiaries and (2) regular quarterly cash dividends by Parent with customary record and payment dates on the shares of Parent Common Stock not in excess of \$0.40 per share per quarter (appropriately adjusted to reflect any stock dividends, subdivisions, splits, combinations or other similar events) or (C) other than in the ordinary course of business, consistent with past practice, redeem, repurchase or otherwise acquire or offer to redeem, repurchase, or otherwise acquire any Parent Securities or any Parent Subsidiary Securities;

(iv) (A) issue, deliver or sell, or authorize the issuance, delivery or sale of, any shares of any Parent Securities, other than the issuance of (1) stock options or other equity compensation arrangements in the ordinary course of business consistent with past practices, (2) any shares of Parent Common Stock upon the exercise of Parent options or other equity compensation arrangements that are outstanding on the date of this Agreement or issued in compliance with the preceding clause (1), in each case in accordance with the terms of those options, and (3) shares of Parent Common Stock in connection with the settlement of Convertible Notes in accordance with their terms as of the date hereof, or (B) amend in any material respect any term of any Parent Security; or

(v) agree, resolve or commit to do any of the foregoing.

(b) Parent shall not, and shall cause its Subsidiaries not to, from the date of this Agreement to the Effective Time, take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Parent and the Merger Subs to consummate the Mergers or the other transactions contemplated by this Agreement, including any financing thereof.

Section 7.02. *Obligations of the Merger Subs.* Parent shall take all action necessary to cause the Merger Subs to perform their respective obligations under this Agreement and to consummate the Mergers on the terms and conditions set forth in this Agreement.

Section 7.03. *Voting of Shares.* Parent shall vote all shares of Company Common Stock beneficially owned by it or any of its Subsidiaries in favor of adoption of this Agreement at the Company Stockholder Meeting.

Section 7.04. *Director and Officer Liability.* Parent shall cause the Surviving Entity, and the Surviving Entity hereby agrees, to do the following:

(a) For six (6) years after the Subsequent Effective Time, Parent shall (only to the extent the Surviving Entity would be obligated under Applicable Law), or shall cause the Surviving Entity to, indemnify and hold harmless the present and former directors, officers, employees, fiduciaries and agents of the Company and its Subsidiaries and any individuals serving in such capacity at or with respect to other Persons at the Company's or its Subsidiaries' request (each, an "**Indemnified Person**") from and against any losses, damages, liabilities, costs, expenses (including attorneys' fees), judgments, fines, penalties and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of any thereof) in respect of the Indemnified Persons' having served in such capacity prior to the Subsequent Effective Time, in each case to the fullest extent permitted by the DGCL, the DLLCA or any other Applicable Law or provided under the Company's certificate of incorporation and bylaws in effect on the date hereof. If any Indemnified Person is made party to any claim, action, suit, proceeding or investigation arising out of or relating to matters that would be indemnifiable pursuant to the immediately preceding sentence, Parent shall, and shall cause the Surviving Entity

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to, advance fees, costs and expenses (including attorneys' fees and disbursements) as incurred by such Indemnified Person in connection with and prior to the final disposition of such claim, action, suit, proceeding or investigation.

(b) For six (6) years after the Subsequent Effective Time, Parent shall cause to be maintained in effect provisions in the Surviving Entity's certificate of formation and limited liability company agreement (or in such documents of any successor to the business of the Surviving Entity) regarding elimination of liability of directors, indemnification of directors, officers, employees, fiduciaries and agents and advancement of fees, costs and expenses that are no less advantageous to the intended beneficiaries than the corresponding provisions in existence on the date of this Agreement.

(c) From and after the Subsequent Effective Time, Parent shall cause the Surviving Entity and its Subsidiaries to honor and comply with their respective obligations under any indemnification agreement with any Indemnified Person and not amend, repeal or otherwise modify any such agreement in any manner that would adversely affect any right of any Indemnified Person thereunder. The Company has made available the form of any such indemnification agreement entered into by the Company to Parent or Parent's Representatives prior to the date of this Agreement.

(d) Prior to the Effective Time, the Company shall or, if the Company is unable to, Parent shall or shall cause the Surviving Entity as of the Subsequent Effective Time to, obtain and fully pay the premium for the non-cancellable extension of the directors' and officers' liability coverage of the Company's existing directors' and officers' insurance policies and the Company's existing fiduciary liability insurance policies (collectively, "**D&O Insurance**"), in each case for a claims reporting or discovery period of at least six (6) years from and after the Subsequent Effective Time with respect to any claim related to any period or time at or prior to the Subsequent Effective Time from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to D&O Insurance with terms, conditions, retentions and limits of liability that are no less favorable than the coverage provided under the Company's existing policies. If the Company or the Surviving Entity for any reason fails to obtain such "tail" insurance policies as of the Subsequent Effective Time, the Surviving Entity shall continue to maintain in effect, for a period of at least six (6) years from and after the Subsequent Effective Time, the D&O Insurance in place as of the Subsequent Effective Time with the Company's current insurance carrier or with an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to D&O Insurance with terms, conditions, retentions and limits of liability that are no less favorable than the coverage provided under the Company's existing policies as of the Subsequent Effective Time, or the Surviving Entity shall purchase from the Company's current insurance carrier or from an insurance carrier with the same or better credit rating as the Company's current insurance carrier with respect to D&O Insurance comparable D&O Insurance for such six (6)-year period with terms, conditions, retentions and limits of liability that are no less favorable than as provided in the Company's existing policies as of the Subsequent Effective Time; *provided* that in no event shall Parent or the Surviving Entity be required to expend for such policies pursuant to this sentence an annual premium amount in excess of three hundred percent (300%) of the premium amount per annum for the Company's existing policies; and *provided, further*, that if the aggregate premiums of such insurance coverage exceed such amount, the Surviving Entity shall be obligated to obtain a policy with the greatest coverage available, with respect to matters occurring prior to the Subsequent Effective Time, for a cost not exceeding such amount.

(e) If Parent, the Surviving Entity or any of its successors or assigns (i) consolidates with or merges into any other Person and shall not be the continuing or Surviving Entity or entity of such consolidation or merger, or (ii) transfers or conveys all or substantially all of its properties and assets to any Person, then, and in each such case, to the extent necessary, proper provision shall be

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made so that the successors and assigns of Parent or the Surviving Entity, as the case may be, shall assume the obligations set forth in this Section 7.04.

(f) The rights of each Indemnified Person under this Section 7.04 shall be in addition to any rights such Person may have under the certificate of incorporation or bylaws of the Company or any of its Subsidiaries, under the DGCL or any other Applicable Law or under any agreement of any Indemnified Person with the Company or any of its Subsidiaries. These rights shall survive consummation of the Merger and are intended to benefit, and shall be enforceable by, each Indemnified Person.

Section 7.05. *Employee Matters.* (a) For the period beginning on the Closing and ending on the first anniversary of the Closing (the "**Continuation Period**"), Parent shall, or shall cause the Surviving Entity to, provide each Company Employee who continues to be employed by the Company or any of its Subsidiaries immediately after the Closing (each a "**Continuing Employee**") with (i) a base salary, wage or commission rate and cash bonus opportunity, in each case, at least equal to the base salary, wage or commission rate and cash bonus opportunity provided to such Continuing Employee by the Company and its Subsidiaries immediately prior to the Closing; (ii) employee benefits that are substantially comparable in the aggregate to those provided to similarly situated employees of Parent or its Affiliates (excluding, for the avoidance of doubt, equity or equity-based awards) and (iii) severance benefits, to Continuing Employees who do not have an employment agreement that provides for post-termination severance benefits, no less favorable than those for which the Continuing Employees would have been eligible pursuant to the Company's severance plans and policies as in effect immediately prior to the Closing and as set forth on Section 7.05(a) of the Company Disclosure Schedule; provided that the foregoing obligation shall not include change in control, transaction or retention or similar bonuses or payments.

(b) With respect to any employee benefit plan or arrangement maintained by Parent or its Affiliates (excluding, for the avoidance of doubt, equity or equity-based awards) in which any Continuing Employee is eligible to participate on or after the Closing, for all purposes, including for purposes of determining eligibility to participate, level of benefits, vesting and benefit plan accruals (but not for the purposes of benefit accrual under any defined benefit pension plan), each Continuing Employee's service with the Company or any of its Subsidiaries (as well as service with any predecessor employer) prior to the Closing shall be treated as service with Parent and its Affiliates as of the Closing to the extent such services was recognized immediately prior to Closing under a comparable Employee Plan; *provided* that the foregoing shall not apply to the extent that it would result in any duplication of benefits for the same period of service.

(c) Unless otherwise requested by Parent not later than ten (10) Business Days prior to the Effective Time, the Company shall take all actions, including through resolutions of the Board of Directors (or a duly constituted and authorized committee thereof or other appropriate governing body) that may be necessary or appropriate to cause the Company's 401(k) plan to terminate effective on the Business Day immediately preceding the Effective Time, with such termination being contingent on the Closing. Such resolutions shall be subject to Parent's reasonable prior review and approval. As a condition to the Company's obligation to terminate the Company's 401(k) plan pursuant to the preceding sentence, each Continuing Employee shall become a participant in the Parent 401(k) Plan immediately following the Effective Time (giving effect to the service crediting provisions of Section 7.05(b)); it being agreed that no Continuing Employee shall experience a gap in eligibility to participate in a tax-qualified defined contribution plan as a result of the transactions as contemplated by this Agreement. Parent agrees to cause the Parent 401(k) Plan to accept, in accordance with applicable Law and the terms of the Parent 401(k) Plan, a "direct rollover" (within the meaning of Section 401(a)(31) of the Code) of his or her account balances (including earnings thereon through the date of transfer and promissory notes evidencing all outstanding loans) under the Company's 401(k) plan, *provided* that the Company provides (or

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causes to be provided) such information as reasonably requested by the administrator of the Parent 401(k) Plan to administer any such rolled over loans.

(d) With respect to any health and welfare plan maintained by Parent or its Affiliates in which any Continuing Employee is eligible to participate at or after the Closing, Parent shall, or shall cause its Affiliates (including the Surviving Entity) to, use commercially reasonable efforts to (i) waive, or cause to be waived, preexisting conditions, limitations, exclusions, actively-at-work requirements and waiting periods with respect to participation by and coverage of each Continuing Employee (and his or her eligible dependents) and (ii) recognize, or cause to be recognized, the dollar amount of all co-payments, deductibles and similar expenses incurred by each Continuing Employee (and his or her eligible dependents) during the calendar year in which the Closing occurs for purposes of satisfying such year's deductible and co-payment limitations under the relevant welfare benefit plans in which each Continuing Employee (and his or her eligible dependents) will be eligible to participate from and after the Closing.

(e) Nothing in this Section 7.05, express or implied, (i) is intended to or shall confer upon any Person other than the parties hereto and their respective successors and assigns, including any current or former Company Employee or any other consultant, independent contractor or other service provider, any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement (including, without limitation, any right to employment or continued employment), (ii) shall establish or constitute an amendment, termination or modification of, or an undertaking to establish, amend, terminate or modify, any benefit plan, program, agreement or arrangement, or (iii) shall alter or limit the ability of Parent or any of its Subsidiaries (or, following the Subsequent Effective Time, the Surviving Entity or any of its Subsidiaries) to amend, modify or terminate any benefit plan, program, agreement or arrangement at any time assumed, established, sponsored or maintained by any of them.

Section 7.06. *Stock Exchange Listing.* Parent shall use its reasonable best efforts to cause the shares of Parent Common Stock to be issued in connection with the Mergers to be listed on the NYSE, subject to official notice of issuance.

ARTICLE 8
COVENANTS OF PARENT AND THE COMPANY

The parties hereto agree that:

Section 8.01. *Reasonable Best Efforts.* (a) Subject to the terms and conditions of this Agreement, each party shall use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or advisable under Applicable Law to consummate the transactions contemplated by this Agreement, including (x) preparing and filing as promptly as practicable with any Governmental Authority or other third party all documentation to effect all necessary filings, notices, petitions, statements, registrations, submissions of information, applications and other documents and (y) obtaining and maintaining all approvals, consents, registrations, permits, authorizations and other confirmations required to be obtained from any Governmental Authority or other third party that are necessary, proper or advisable to consummate the transactions contemplated by this Agreement (including the Required Insurance Regulatory Filings/Approvals). Each of Parent, the Merger Subs and the Company shall use reasonable best efforts to execute and deliver such other documents, certificates and other writings as may be necessary or advisable in order to consummate or implement expeditiously the transactions contemplated by this Agreement.

(b) Subject to Applicable Law, each of the parties to this Agreement shall, upon request, furnish to the other parties to this Agreement all information concerning itself, its Subsidiaries, directors, officers and shareholders and such other matters as may be reasonably necessary or advisable in connection with the Registration Statement, the Proxy Statement or any statement, filing, notice or application made by or on behalf of Parent, the Company, or any of their

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respective Subsidiaries to any Governmental Authority in connection with the transactions contemplated by this Agreement.

(c) In furtherance and not in limitation of the foregoing, each party hereto agrees to (i) (A) make or cause to be made an appropriate filing of a Notification and Report Form pursuant to the HSR Act with respect to the transactions contemplated by this Agreement as promptly as practicable after the date hereof (and in any event within ten (10) Business Days unless otherwise agreed in writing), and to make, or cause to be made, the filings and authorizations, if any, required under any other Antitrust Laws as promptly as reasonably practicable after the date hereof and to supply as promptly as reasonably practicable and advisable any additional information and documentary material that may be requested pursuant to the HSR Act (including pursuant to any second request) or such other Antitrust Laws and to take or cause to be taken all other actions necessary, proper or advisable consistent with this Section 8.01 to cause the expiration or termination of the applicable waiting periods, or receipt of required authorizations, as applicable, under the HSR Act or any other Antitrust Laws as soon as practicable and (B) not acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, any assets, securities, properties, or businesses, enter into any licensing or similar arrangements or enter into any other transaction if any such acquisition, licensing or similar arrangement or other transaction, individually or in the aggregate, would reasonably be expected to adversely affect in any material respect the likelihood that the waiting period (or any extension thereof) under the HSR Act expires or is terminated or materially delayed or that any other antitrust or insurance approval would not be obtained or materially delayed and (ii) make appropriate applications or notices required to obtain the Required Insurance Regulatory Filings/Approvals as promptly as practicable and to supply to each applicable Insurance Department as promptly as practicable any additional information and documentary material that may be requested by any such Insurance Department in connection with any such Required Insurance Regulatory Filing/Approval. In furtherance and not in limitation of the foregoing, the parties shall request and shall use reasonable best efforts to obtain early termination of the waiting period under the HSR Act.

(d) Each of the parties hereto shall, in connection with the efforts referenced in Section 8.01(c) to obtain all requisite approvals and authorizations for the transactions contemplated by this Agreement, use its reasonable best efforts to (i) take the actions set forth on Section 8.01(c) of the Company Disclosure Schedule, (ii) cooperate in all respects with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including any proceeding initiated by a private party; (iii) subject to applicable legal limitations and the instructions of any Governmental Authority, keep the other party reasonably informed of any communication received by such party (and provide a copy of any such communication or, if such communication is oral, a summary of such communication) from, or given by such party to, the FTC, the Antitrust Division of the Department of Justice (the "DOJ") or any other Governmental Authority and of any communication received or given in connection with any proceeding by a private party, in each case regarding any of the transactions contemplated hereby; and (iv) subject to applicable legal limitations and the instructions of any Governmental Authority, provide a copy of and permit the other party to review in advance any filing or notice to be submitted in connection with a Required Insurance Regulatory Filing/Approval or written communication (provided that the parties may redact references to the value of this transaction or alternatives to this transaction) to be given by it to, and consult with each other in advance of any in-person meeting or conference with, the FTC, the DOJ or any other Governmental Authority or, in connection with any proceeding by a private party, with any other person, and to the extent permitted by the FTC, the DOJ or such other applicable Governmental Authority or other person, give the other party the opportunity to attend and participate in such in-person meetings or conferences.

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(e) In furtherance and not in limitation of the covenants of the parties contained in Section 8.01(c) and Section 8.01(d), if any objections are asserted with respect to the transactions contemplated hereby under any Applicable Law or if any suit is instituted (or threatened to be instituted) by the FTC, the DOJ or any other applicable Governmental Authority or any private party challenging any of the transactions contemplated hereby as violative of any Applicable Law or which would otherwise prevent, materially impede or materially delay the consummation of the transactions contemplated hereby, each of the parties hereto shall use their reasonable best efforts to (x) take, or cause to be taken, all other actions and (y) do, or cause to be done, all other things necessary, proper or advisable to consummate and make effective the transactions contemplated hereby, including taking all such further action as may be necessary to resolve such objections, if any, as the FTC, the DOJ, state antitrust enforcement authorities, competition authorities of any other nation or other jurisdiction or Insurance Departments or commissions may assert under any Applicable Law with respect to the transactions contemplated hereby, and to avoid or eliminate each and every impediment under any Applicable Law that may be asserted by any Governmental Authority with respect to the transactions contemplated by this Agreement so as to enable the Closing to occur as soon as reasonably practicable (and in any event no later than the End Date), including in each case as may be required in order to avoid the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order in any suit or proceeding which would otherwise have the effect of preventing the Closing or delaying the Closing beyond the End Date. Notwithstanding anything to the contrary in this Section 8.01 or elsewhere in this Agreement, the parties hereto understand and agree that Parent's reasonable best efforts shall include Parent (i) entering into any settlement, undertaking, consent decree, stipulation or agreement with or required by any Governmental Authority or other Person in connection with any consent or approval required to complete or otherwise in connection with the transactions contemplated by this Agreement and (ii) proposing, negotiating, committing to and effecting, by consent decree, hold separate order or otherwise, the sale, divestiture, disposition or hold separate of businesses, product lines or assets of Parent, the Company or any of their respective Subsidiaries (each of the foregoing described in clauses (i) and (ii), a "**Remedial Action**"); *provided, however* that Parent's obligations with respect to Remedial Actions pursuant to the foregoing clauses (i) and (ii) shall be limited to selling, divesting, disposing of, licensing or holding separate (A) rights to title plants and (B) businesses, product lines or assets of Parent, the Company and their respective Subsidiaries, as required by any Governmental Authority; and *provided further, however*, that Parent's obligations with respect to Remedial Actions pursuant to the foregoing clauses (i) and (ii) shall not require Parent to sell, divest, dispose of, license or hold separate: (1) title plants and rights to title plants, businesses, product lines or assets to the extent that such title plants, rights to title plants, businesses, product lines or assets generated Divested Revenues in excess of \$225,000,000 in the aggregate, or (2) any of its own brands in full. Nothing in this Agreement shall require Parent or its Affiliates to (and neither the Company nor its Subsidiaries shall without the express written consent of Parent) defend through litigation any claim asserted in court or administrative or other tribunal by any Person (including any Governmental Authority) in order to avoid entry of, or to have vacated or terminated, any Legal Restraint that would prevent the Closing prior to the End Date.

(f) For the avoidance of doubt, if requested by Parent, the Company shall, and shall cause any Insurance Subsidiary to, agree to or accept any Remedial Action; *provided* that nothing in this Agreement shall require any party hereto to take or agree to take, or cause to be taken, any Remedial Action unless the effectiveness of such Remedial Action is conditioned upon the Closing.

(g) Each of the parties hereto shall:

(i) promptly advise the other upon receiving any communication from any Governmental Authority the consent or approval of which is required for consummation of the transactions

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contemplated by this Agreement that causes such party to believe that there is a reasonable likelihood that any requisite Regulatory Approval will not be obtained or that the receipt of any such approval may be materially delayed; and

(ii) inform the other parties to this Agreement of, and if in writing, furnish the other parties with copies of (or, in the case of oral communications, advise the other parties orally of), any substantive communication from or to any Governmental Authority regarding the Mergers, and permit the other parties to review and discuss in advance, and consider in good faith the views of the other parties in connection with, any proposed communication or submission with any such Governmental Authority; *provided, however*, that Parent shall have the principal responsibility for devising and implementing the strategy for obtaining any necessary antitrust consents or approvals and shall lead and direct all submissions to, meetings and communications with any Governmental Authority or other party in connection with antitrust matters, including litigation matters with respect to any Antitrust Law; *provided, however*, that no party shall participate in any meeting or substantive communication with any Governmental Authority in connection with this Agreement and the Mergers unless it consults with the other party in advance and, to the extent not prohibited by such Governmental Authority, gives the other party the opportunity to attend and participate therein or thereat. Notwithstanding the foregoing and subject to the Confidentiality Agreement, Parent and the Company may, as each deems advisable and necessary, reasonably designate any competitively sensitive material provided to the other under this Section 8.01(g)(ii) as "Outside Counsel Only Material." Such materials and the information contained therein shall be given only to the outside counsel of the recipient and will not be disclosed by such outside counsel to employees, officers or directors of the recipient unless express permission is obtained in advance from the source of the materials (Parent or the Company, as the case may be) or its legal counsel. Notwithstanding anything to the contrary contained in this Section 8.01, materials provided pursuant to this Section 8.01 may be redacted (A) to remove references concerning the valuation of the Company and the Mergers, (B) as necessary to comply with contractual arrangements and (C) as necessary to address reasonable privilege concerns.

(h) In furtherance and not in limitation of the covenants of the parties contained in Section 8.01 (a), (e), (f), (g) or (h), the Company shall, and shall cause its Subsidiaries to, reasonably cooperate with Parent to obtain each of the consents set forth on Section 8.01(h) of the Company Disclosure Schedule; *provided* that the Company shall not be required to make payments or incur any costs or expenses, grant any concession or incur any liability in order to obtain any such consents, and the failure to obtain any such consent shall not constitute a breach of this Agreement by the Company or relieve Parent or the Merger Subs from any of their respective obligations hereunder (including to consummate the Mergers or the other transactions contemplated hereby).

Section 8.02. *Certain Filings.* (a) The Company and Parent shall reasonably cooperate with one another (i) in connection with the preparation of the Proxy Statement, which shall, subject to Section 6.03(b), include the Company Board Recommendation, (ii) in determining whether any action by or in respect of, or filing with, any Governmental Authority is required, or any actions, consents, approvals or waivers are required to be obtained from parties to any material contracts, in connection with the consummation of the transactions contemplated by this Agreement and (iii) in taking such actions or making any such filings, furnishing information required in connection therewith or with the Proxy Statement and seeking timely to obtain any such actions, consents, approvals or waivers.

(b) As promptly as practicable following the date of this Agreement, Parent shall prepare (with the Company's reasonable cooperation) and file with the SEC the Registration Statement in connection with the registration under the 1933 Act of the shares of Parent Common Stock to be issued in Merger I. Parent shall use its reasonable best efforts to have the Registration Statement

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declared effective under the 1933 Act as promptly as practicable after such filing and to keep the Registration Statement effective as long as is necessary to consummate Merger I and the other transactions contemplated hereby. Each of the Company and Parent shall furnish all information concerning the Company and the holders of shares of Company Common Stock and Parent and the holders of Parent Common Stock, as applicable, as may be reasonably requested in connection with any such action.

(c) The Company shall use reasonable best efforts to cause the Proxy Statement to be mailed to the Company's shareholders and Parent's stockholders, as applicable, as promptly as practicable after the Registration Statement is declared effective under the 1933 Act and in connection with the mailing of the Form of Election.

(d) No filing of, or amendment or supplement to, the Registration Statement will be made by Parent, and no filing of, or amendment or supplement to, the Proxy Statement will be made by the Company or Parent, in each case without providing the other party a reasonable opportunity to review and comment thereon (other than, in each case, any filing, amendment or supplement in connection with an Adverse Change Recommendation), and each party shall consider in good faith all comments reasonably proposed by the other party. Each of the Company and Parent shall promptly provide the other with copies of all such filings, amendments or supplements to the extent not readily publicly available. Each of the Company and Parent shall furnish all information concerning such Person and its Affiliates to the other and provide such other assistance as may be reasonably requested by such other party to be included therein and shall otherwise reasonably assist and cooperate with the other in the preparation of the Registration Statement or Proxy Statement, as applicable, and the resolution of any comments to either received from the SEC. If at any time prior to the receipt of the Company Stockholder Approval, any information relating to the Company or Parent, or any of their respective Affiliates, directors or officers, should be discovered by the Company or Parent which is required to be set forth in an amendment or supplement to either the Registration Statement or the Proxy Statement, so that either such document would not include any misstatement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the party which discovers such information shall promptly notify the other party and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by Applicable Law, disseminated to the stockholders of the Company or the stockholders of Parent, as applicable. The parties shall notify each other promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the Registration Statement or for additional information and shall supply each other with copies of (i) all correspondence between it or any of its Representatives, on the one hand, and the SEC or the staff of the SEC, on the other hand, with respect to the Registration Statement, Proxy Statement or the Mergers and (ii) all orders of the SEC relating to the Registration Statement. No response to any comments from the SEC or the staff of the SEC relating to the Proxy Statement will be made by either party without providing the other a reasonable opportunity to review and comment thereon unless pursuant to a telephone call initiated by the SEC, and each party shall consider in good faith all comments reasonably proposed by the other party. The parties will cause the Registration Statement and Proxy Statement to comply as to form in all material respects with the applicable provisions of the 1933 Act and the 1934 Act, as applicable, and the rules and regulations thereunder.

Section 8.03. *Public Announcements.* The initial press release with respect to the execution of this Agreement shall be a press release to be reasonably agreed upon by Parent and the Company. Except in connection with press releases or other public statements made in compliance with Section 6.03, none of the Company, on the one hand, or Parent, on the other hand, shall issue any

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public release or make any public announcement concerning this Agreement or the transactions contemplated by this Agreement without the prior written consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by Applicable Law or the rules or regulations of any applicable United States securities exchange or Governmental Authority to which the relevant party is subject or submits, wherever situated, in which case the party required to make the release or announcement shall use its reasonable best efforts to allow, to the extent practicable and permissible pursuant to Applicable Law, the other party or parties hereto reasonable time to comment on such release or announcement in advance of such issuance (it being understood that the final form and content of any such release or announcement, as well as the timing of any such release or announcement, shall be at the final reasonable discretion of the disclosing party); provided, however, that the restrictions set forth in this Section 8.03 shall not apply to any release or announcement that is consistent in all material respects with previous press releases, public disclosures or public statements made by a party hereto in accordance with this Agreement, in each case to the extent such disclosure is still accurate.

Section 8.04. *Further Assurances.* At and after the Subsequent Effective Time, the officers and directors of the Surviving Entity shall be authorized to execute and deliver, in the name and on behalf of the Company or the Merger Subs, any deeds, bills of sale, assignments or assurances and to take and do, in the name and on behalf of the Company or the Merger Subs, any other actions and things to vest, perfect or confirm of record or otherwise in the Surviving Entity any and all right, title and interest in, to and under any of the rights, properties or assets of the Company acquired or to be acquired by the Surviving Entity as a result of, or in connection with, the Mergers.

Section 8.05. *Notices of Certain Events.* Each of the Company and Parent shall promptly notify the other of:

- (a) subject to Applicable Law, any written notice or other written communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and
- (b) any breach of this Agreement that would cause any of the closing conditions of the other party set forth in Article 9 not to be satisfied.

Section 8.06. *Section 16 Matters.* Prior to the Effective Time, each party shall take all such steps as may be required to cause any dispositions of Company Common Stock (including derivative securities with respect to Company Common Stock) or acquisitions of Parent Common Stock (including derivative securities with respect to Parent Common Stock) resulting from the transactions contemplated by this Agreement by each individual who is subject to the reporting requirements of Section 16(a) of the 1934 Act with respect to the Company and will become subject to such reporting requirements with respect to Parent to be exempt under Rule 16b-3 promulgated under the 1934 Act.

Section 8.07. *Stock Exchange De-Listing.* Prior to the Effective Time, the Company shall cooperate with Parent to, and Parent shall take such actions reasonably required to, cause the shares of Company Common Stock to be de-listed from the NYSE and de-registered under the 1934 Act as soon as practicable following the Effective Time.

Section 8.08. *Tax-Free Reorganization Representation Letters.* (a) Prior to the Effective Time, each of Parent, the Merger Subs and the Company shall not take any action that it knows or would reasonably be expected to know would cause the Mergers not to qualify as a 368 Reorganization.

- (b) Prior to the Effective Time, each of Parent and the Company shall deliver to the Company's tax counsel letters containing representations of its officers substantially in the form of *Exhibits A* and *B* hereto, respectively, for the purposes of obtaining a tax opinion from Davis Polk & Wardwell LLP to the effect that the Mergers will be treated for U.S. federal income tax purposes as a reorganization qualifying under the provisions of Section 368(a) of the Code and that each of Parent and the Company will be a party to the reorganization within the meaning of Section 368(b) of the Code.

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Section 8.09. *Transaction Litigation.* In the event that any stockholder litigation related to this Agreement or the transactions contemplated hereby is brought against either party or any directors or executive officers of either party after the date of this Agreement and prior to the Effective Time (the "**Transaction Litigation**"), such party shall promptly notify the other party of any such Transaction Litigation that such party is aware of and shall keep such other party reasonably informed with respect to the status thereof. The Company shall control the defense or settlement of any Transaction Litigation brought against the Company or any of its directors or executive officers; provided that the Company shall give Parent the opportunity at Parent's expense to participate in (but not control) the defense of any such Transaction Litigation, and the Company shall not settle or agree to settle any Transaction Litigation without Parent's prior written consent (not to be unreasonably withheld, delayed or conditioned).

Section 8.10. *Dividends.* Each of the Company and Parent shall coordinate with the other regarding the declaration and payment of dividends in respect of Company Common Stock and Parent Common Stock and the record dates and payment dates relating thereto, it being the intention of the Company and Parent that no holder of Company Common Stock or Parent Common Stock shall receive two dividends, or fail to receive one dividend, for any single calendar quarter with respect to its shares of Company Common Stock, on the one hand, and shares of Parent Common Stock any holder of Company Common Stock receives pursuant to the Mergers, on the other.

ARTICLE 9
CONDITIONS TO THE MERGERS

Section 9.01. *Conditions to the Obligations of Each Party.* The obligations of the Company, Parent and the Merger Subs to consummate the Mergers are subject to the satisfaction of the following conditions:

- (a) the Company Stockholder Approval shall have been obtained in accordance with DGCL;
- (b) there shall not be in force an injunction or order of any court of competent jurisdiction or Governmental Authority of competent jurisdiction (with respect to Antitrust Laws or Insurance Laws, solely with respect to the Required Antitrust Regulatory Filings/Approvals and the Required Insurance Regulatory Filings/Approvals) enjoining, prohibiting or rendering illegal the consummation of the Mergers or the other transactions contemplated hereby, in each case whether temporary, preliminary or permanent (a "**Legal Restraint**");
- (c) the filings, as applicable, under the Required Antitrust Regulatory Filings/Approvals shall have been made and any applicable approvals, consents, authorizations, clearances or waiting periods thereunder shall have been received and remain in effect (in the case of approvals, consents, authorizations or clearances) or expired or been terminated (in the case of waiting periods);
- (d) the filings, as applicable, under the Required Insurance Regulatory Filings/Approvals shall have been made and any applicable approvals, consents, authorizations, clearances or waiting periods thereunder shall have been received and remain in effect (in the case of approvals, consents, authorizations or clearances) or expired or been terminated (in the case of waiting periods);
- (e) the Registration Statement shall have been declared effective by the SEC under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement shall be in effect and no proceedings for that purpose shall be pending before the SEC; and
- (f) the shares of Parent Common Stock to be issued in the Mergers shall have been approved for listing on the NYSE, subject to official notice of issuance.

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Section 9.02. *Conditions to the Obligations of Parent and the Merger Subs.* The obligations of Parent and the Merger Subs to consummate the Mergers are subject to the satisfaction of the following further conditions (any or all of which may be waived by Parent and the Merger Subs in whole or in part to the extent permitted by Applicable Law):

(a) (i) the representations and warranties of the Company contained in this Agreement or in any certificate or other writing delivered by the Company pursuant hereto (other than the Fundamental Representations and the representations and warranties of the Company contained in Section 4.10(b)), without giving effect to any materiality and Company Material Adverse Effect qualifications contained therein, shall be true at and as of the Closing Date as if made at and as of such time (other than representations and warranties that by their terms address matters only as of another specified time, which shall be true only as of such time), with only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect, (ii) the Fundamental Representations of the Company contained in this Agreement shall be true in all material respects at and as of the Closing Date as if made at and as of such time (other than Fundamental Representations that by their terms address matters only as of another specified time, which shall be true only as of such time), (iii) the representations and warranties of the Company contained in Section 4.05(a) and 4.05(b) of this Agreement shall be true in all respects at and as of the Closing Date as if made at and as of such time (other than representations and warranties that by their terms address matters only as of another specified time, which shall be true only as of such time), except for any failures to be so true that are *de minimis* and (iv) the representation and warranty contained in Section 4.10(b) shall be true in all respects at and as of the Closing Date as if made at and as of such time (other than representations and warranties that by their terms address matters only as of another specified time, which shall be true only as of such time);

(b) the Company shall have performed all of its obligations hereunder required to be performed by it at or prior to the Closing (or any non-performance shall have been cured) in all material respects; *provided* that the failure by the Company to perform any of its obligations set forth in Section 8.08(b) shall not be deemed to constitute a failure of the closing condition set forth in this Section 9.02(b) to have been satisfied;

(c) Parent shall have received a certificate signed by a senior executive officer of the Company confirming the satisfaction of the conditions set forth in Sections 9.02(a) and 9.02(b); and

(d) since the date of this Agreement, there shall not have occurred and be continuing to occur any event, change, effect, occurrence or state of facts that has had or would reasonably be expected to have, individually or in the aggregate, a Company Material Adverse Effect.

Section 9.03. *Conditions to the Obligations of the Company.* The obligations of the Company to consummate the Mergers are subject to the satisfaction of the following further conditions:

(a) (i) the representations and warranties of Parent contained in this Agreement or in any certificate or other writing delivered by Parent pursuant hereto (other than Fundamental Representations), without giving effect to any all materiality and Parent Material Adverse Effect qualifications contained therein, shall be true at and as of the Closing Date as if made at and as of such time (other than representations and warranties that by their terms address matters only as of another specified time, which shall be true only as of such time), with only such exceptions as have not had and would not reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect, (ii) the Fundamental Representations of Parent contained in this Agreement shall be true in all material respects at and as of the Closing Date as if made at and as of such time (other than Fundamental Representations that by their terms address matters only as of another specified time, which shall be true only as of such time) and (iii) the representations

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and warranties of Parent contained in Section 5.05(a) and Section 5.05(b) of this Agreement shall be true in all respects at and as of the Closing Date as if made at and as of such time (other than representations and warranties that by their terms address matters only as of another specified time, which shall be true only as of such time), except for any failures to be so true that are *de minimis*;

(b) each of Parent and the Merger Subs shall have performed all of its obligations hereunder required to be performed by it at or prior to the Closing (or any non-performance shall have been cured) in all material respects; *provided* that the failure by Parent or the Merger Subs to perform any of their obligations set forth in Section 8.08(b) shall not be deemed to constitute a failure of the closing condition set forth in this Section 9.03(b) to have been satisfied;

(c) the Company shall have received a certificate signed by a senior executive officer of Parent confirming the satisfaction of the conditions set forth in Sections 9.03(a) and 9.03(b); and

(d) since the date of this Agreement, there shall not have occurred and be continuing to occur any event, change, effect, occurrence or state of facts that has had or would reasonably be expected to have, individually or in the aggregate, a Parent Material Adverse Effect.

ARTICLE 10
TERMINATION

Section 10.01. *Termination.* This Agreement may be terminated and the Mergers may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement by the stockholders of the Company):

(a) by mutual written agreement of the Company and Parent;

(b) by either the Company or Parent, if:

(i) the Mergers have not been consummated on or before the twelve (12)-month anniversary of the date hereof (the "**End Date**"); *provided however* that if on the initial End Date the condition set forth in Section 9.01(c) or the condition set forth in Section 9.01(d) (or, solely to the extent in relation to the matters addressed by Section 9.01(c) or Section 9.01(d), the condition set forth in Section 9.01(b)) is not satisfied but all the other conditions to Closing set forth in Article 9 are satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to those conditions being capable of being satisfied), then either of Parent or the Company may, in its sole discretion, extend the End Date by three (3) months on up to two (2) occasions only by providing notice of such extension to the other Party, in which case the End Date shall be deemed for all purposes to be such later date (which, for the avoidance of doubt shall be no later than the eighteen (18) month anniversary of the date hereof); *provided* that the right to terminate this Agreement pursuant to this Section 10.01(b)(i) shall not be available to any party whose breach of any provision of this Agreement results in the failure of the Mergers to be consummated by such time;

(ii) there shall be any Legal Restraint that shall have become final and nonappealable; *provided* that the right to terminate this Agreement pursuant to this Section 10.01(b)(ii) shall not be available to any party whose breach of any provision of this Agreement results in the existence of such Legal Restraint; or

(iii) at the Company Stockholder Meeting (including any adjournment or postponement thereof), the Company Stockholder Approval shall not have been obtained; or

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(c) by Parent, if:

(i) a Triggering Event shall have occurred; or

(ii) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement shall have occurred that would cause the condition set forth in Section 9.02(a) or Section 9.02(b), as applicable, not to be satisfied, and such breach or failure to perform is (A) incapable of being satisfied by the End Date or (B) if capable of being cured before the End Date, is not cured within thirty (30) Business Days following Parent's delivery of written notice to the Company stating Parent's intention to terminate this Agreement pursuant to this Section 10.01(c)(ii) and the basis for such termination; *provided* that, at the time of the delivery of such notice, neither Parent nor either of the Merger Subs shall be in breach of its or their obligations under this Agreement; or

(d) by the Company:

(i) in accordance with Section 6.03(b)(ii)(B); *provided* that concurrently with such termination, the Company pays the Termination Fee payable pursuant to Section 11.04; or

(ii) if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Parent or the Merger Subs set forth in this Agreement shall have occurred that would cause the condition set forth in Section 9.03(a) or Section 9.03(b), as applicable, not to be satisfied, and such breach or failure to perform is (A) incapable of being satisfied by the End Date or (B) if capable of being cured before the End Date, is not cured within thirty (30) Business Days following the Company's delivery of written notice to Parent stating the Company's intention to terminate this Agreement pursuant to this Section 10.01(d)(ii) and the basis for such termination; *provided* that, at the time of the delivery of such notice, the Company shall not be in breach of its obligations under this Agreement.

The party desiring to terminate this Agreement pursuant to this Section 10.01 (other than pursuant to Section 10.01(a)) shall give notice of such termination to the other party.

Section 10.02. *Effect of Termination.* Subject to Section 11.04(b), if this Agreement is terminated pursuant to Section 10.01, this Agreement shall become void and of no effect without liability of any party (or any stockholder, director, officer, employee, agent, consultant or other Representative of such party) to the other party hereto; provided that, subject to the first sentence of Section 11.04(d), if such termination shall result from the Willful Breach by a party, such party shall be fully liable for any and all liabilities and damages (which the parties acknowledge and agree shall not be limited to reimbursement of expenses or out-of-pocket costs, and may include the benefit of the bargain lost by a party's stockholders (taking into consideration relevant matters, including other combination opportunities and the time value of money), which shall be deemed in such event to be damages of such party) incurred or suffered by the other party as a result of such failure. The provisions of this Section 10.02 and Sections 6.04, 11.01, 11.04, 11.07, 11.08 and 11.09 shall survive any termination hereof pursuant to Section 10.01.

ARTICLE 11
MISCELLANEOUS

Section 11.01. *Notices.* All notices, requests and other communications to any party hereunder shall be in writing and shall be given by hand delivery, delivery with signature required by a reputable

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express mail provider, certified mail (return receipt requested), or by e-mail of a PDF document, addressed as follows:

if to Parent or the Merger Subs, to:

Fidelity National Financial, Inc.
601 Riverside Ave.
Jacksonville, FL 32204
Attention: General Counsel
Email: mgravelle@fnf.com

with a copy, which shall not constitute notice, to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Michael J. Aiello and Sachin Kohli
Email: michael.aiello@weil.com; sachin.kohli@weil.com

if to the Company, to:

Stewart Information Services Corporation
1980 Post Oak Blvd.
Houston, Texas 77056
Attention: John Killea, President, Chief Legal Officer & Chief Compliance
Officer and Cindy Madole, Senior Vice President & General Counsel
Email: JKillea@stewart.com; CMadole@stewart.com

with a copy, which shall not constitute notice, to:

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attention: John D. Amorosi and Brian Wolfe
Email: john.amorosi@davispolk.com; brian.wolfe@davispolk.com

or to such other address as such party may hereafter specify for the purpose by notice to the other parties hereto. All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. on a business day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed to have been received on the next succeeding business day in the place of receipt.

Section 11.02. *No Survival of Representations and Warranties.* The representations, warranties and agreements contained herein and in any certificate or other writing delivered pursuant hereto shall not survive the Effective Time, except for the agreements set forth in Sections 7.04.

Section 11.03. *Amendments and Waivers.* (a) Any provision of this Agreement may be amended or waived prior to the Effective Time if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement or, in the case of a waiver, by each party against whom the waiver is to be effective; provided that after the Company Stockholder Approval has been obtained there shall be no amendment or waiver that would require the further approval of the stockholders of the Company under the DGCL without such approval having first been obtained.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and

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remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

Section 11.04. *Expenses.* (a) *General.* Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

(b) *Termination Fees.*

(i) *Termination Fee.*

(A) If this Agreement is terminated by Parent pursuant to Section 10.01(c)(i) or by the Company pursuant to Section 10.01(d)(i), then the Company shall pay to Parent in immediately available funds \$33,000,000 (the "**Termination Fee**"), in the case of a termination by Parent, within one Business Day after such termination and, in the case of a termination by the Company, immediately before and as a condition to such termination.

(B) If (1) this Agreement is terminated (A) by Parent or the Company pursuant to Section 10.01(b)(i) or Section 10.01(b)(iii) or by (B) Parent pursuant to Section 10.01(c)(ii) as a result of a Willful Breach by the Company, (2) after the date of this Agreement and prior to such termination, an Acquisition Proposal shall have been publicly announced or otherwise been communicated to the Board of Directors or its stockholders and not withdrawn and (3) within twelve (12) months following the date of such termination, (x) an Acquisition Proposal shall have been consummated or (y) a definitive agreement with respect to an Acquisition Proposal shall have been entered into and such Acquisition Proposal is subsequently consummated (*provided* that for purposes of this clause (B), each reference to "twenty-five percent (25%)" in the definition of Acquisition Proposal shall be deemed to be a reference to "fifty percent (50%)"), then the Company shall pay to Parent in immediately available funds, concurrently with the occurrence of the applicable event described in clause (B), the Termination Fee. Notwithstanding the foregoing, if this Agreement is terminated in any circumstance where the Reverse Termination Fee is payable pursuant to Section 11.04(b)(ii), no Termination Fee shall be payable.

(ii) *Reverse Termination Fee.* If this Agreement is terminated (A) pursuant to Section 10.01(b)(ii) and the Legal Restraint giving rise to such termination is based on failure to obtain, in accordance with the terms of this Agreement, the Required Insurance Regulatory Filings/Approvals or the Required Antitrust Regulatory Filings/Approvals or (B) pursuant to Section 10.01(b)(i) and, in the case of this clause (B), at the time of such termination, (x) one or more of the conditions set forth in Section 9.01(b), Section 9.01(c) or Section 9.01(d) shall not have been satisfied or waived and (y) all of the other conditions set forth in Section 9.01 and Section 9.02 have been, or are capable of being satisfied, then Parent shall pay to the Company \$50,000,000 in immediately available funds (the "**Reverse Termination Fee**") within five (5) Business Days after the date of the termination of this Agreement.

(c) *Other Costs and Expenses.* Each of Parent, the Merger Subs and the Company acknowledges that the agreements contained in Section 11.04(b) are an integral part of the transactions contemplated by this Agreement and that, without these agreements, Parent, the Merger Subs and the Company would not enter into this Agreement. Accordingly, if either Parent or the Company fails promptly to pay any amount due to the other party pursuant to Section 11.04(b), it shall also pay any costs and expenses incurred by such other party in connection with a legal action to enforce this Agreement that results in a judgment against the party that has failed to pay for such amount, together with interest on the amount of any unpaid fee, cost or expense at a rate of five percent (5%) compounded quarterly. Such interest shall be

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payable at the same time as the payment to which it relates and shall be calculated daily on the basis of a year of three hundred and sixty five (365) days and the actual number of days elapsed.

(d) Parent and the Merger Subs agree that, upon any termination of this Agreement under circumstances where the Termination Fee is payable by the Company pursuant to this Section 11.04 and such Termination Fee is paid in full, except in the case of a termination of this Agreement pursuant to Section 10.01(c)(i) or Section 10.01(d)(i) resulting from a Willful Breach by the Company (for the avoidance of doubt, only to the extent committed by or on behalf of the Company by the Company's officers or directors or any of the Company's or its Subsidiaries' Representatives acting at the direction of an officer or director of the Company), Parent and the Merger Subs shall be precluded from any other remedy against the Company, at law or in equity or otherwise, and neither Parent nor the Merger Subs shall seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against the Company or any of the Company's Subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or Affiliates or their respective Representatives in connection with this Agreement or the transactions contemplated hereby. The Company agrees that, upon any termination of this Agreement under circumstances where the Reverse Termination Fee is payable by Parent pursuant to this Section 11.04 and such Reverse Termination Fee is paid in full, except in the case of Willful Breach by Parent or either Merger Sub of Section 8.01 (for the avoidance of doubt, only to the extent committed by or on behalf of Parent or either of the Merger Subs by Parent's or either Merger Subs' officers or directors or any of Parent's or its Subsidiaries' Representatives acting at the direction of an officer or director of Parent or either Merger Sub), the Company shall be precluded from any other remedy against Parent or either Merger Sub, at law or in equity or otherwise, and the Company shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against Parent or either Merger Sub or any of Parent's or the Merger Subs' Subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or Affiliates or their respective Representatives in connection with this Agreement or the transactions contemplated hereby.

Section 11.05. *Disclosure Schedule and SEC Document References.* The parties hereto agree that any reference in a particular Section of either the Company Disclosure Schedule or the Parent Disclosure Schedule shall only be deemed to be an exception to (or, as applicable, a disclosure for purposes of) (a) the representations and warranties (or covenants, as applicable) of the relevant party that are contained in the corresponding Section of this Agreement and (b) any other representations and warranties of such party that is contained in this Agreement, but only if the relevance of that reference as an exception to (or a disclosure for purposes of) such representations and warranties is reasonably apparent. The mere inclusion of an item in either the Company Disclosure Schedule or the Parent Disclosure Schedule as an exception to a representation or warranty shall not be deemed an admission that such item represents a material exception or material fact, event or circumstance or that such item has had or would reasonably be expected to have a Company Material Adverse Effect or Parent Material Adverse Effect, as applicable.

Section 11.06. *Binding Effect; Benefit; Assignment.* (a) Subject to Section 11.06(b), the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Except as provided in Section 7.04 or Section 10.02, and other than the right of any holder of Company Common Stock and Company Equity Awards to receive Merger Consideration, Parent RSUs or Parent PSUs in respect of their Company Common Stock or Company Equity Awards, as applicable, as contemplated by Article 2, no provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any Person other than the parties hereto and their respective successors and assigns.

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(b) No party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, except that Parent or either of the Merger Subs may transfer or assign its respective rights and obligations under this Agreement, in whole or from time to time in part, to (i) one or more of their respective Affiliates at any time and (ii) after the Effective Time, to any Person; *provided* that such transfer or assignment shall not relieve Parent or either of the Merger Subs of its respective obligations hereunder or enlarge, alter or change any obligation of any other party hereto or due to Parent or the Merger Subs. Any purported assignment, delegation or other transfer without such consent shall be void.

Section 11.07. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to the conflicts of law rules of such state.

Section 11.08. *Jurisdiction.* (a) The parties hereto agree that any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement or the transactions contemplated hereby (whether brought by any party or any of its Affiliates or against any party or any of its Affiliates) shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties hereby irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such suit, action or proceeding and irrevocably waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum. Process in any such suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 11.01 shall be deemed effective service of process on such party.

(b) EACH OF PARENT, THE MERGER SUBS AND THE COMPANY HEREBY IRREVOCABLY DESIGNATES CORPORATION TRUST CENTER (IN SUCH CAPACITY, THE "**PROCESS AGENT**"), WITH AN OFFICE AT 1209 ORANGE STREET, CITY OF WILMINGTON, COUNTY OF NEW CASTLE, DELAWARE 19801, AS ITS DESIGNEE, APPOINTEE AND AGENT TO RECEIVE, FOR AND ON ITS BEHALF SERVICE OF PROCESS IN SUCH JURISDICTION IN ANY LEGAL ACTION OR PROCEEDINGS WITH RESPECT TO THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED IN CONNECTION WITH THIS AGREEMENT, AND SUCH SERVICE SHALL BE DEEMED COMPLETE UPON DELIVERY THEREOF TO THE PROCESS AGENT; *PROVIDED* THAT IN THE CASE OF ANY SUCH SERVICE UPON THE PROCESS AGENT, THE PARTY EFFECTING SUCH SERVICE SHALL ALSO DELIVER A COPY THEREOF TO EACH OTHER SUCH PARTY IN THE MANNER PROVIDED IN SECTION 11.01. EACH PARTY SHALL TAKE ALL SUCH ACTION AS MAY BE NECESSARY TO CONTINUE SAID APPOINTMENT IN FULL FORCE AND EFFECT OR TO APPOINT ANOTHER AGENT SO THAT SUCH PARTY SHALL AT ALL TIMES HAVE AN AGENT FOR SERVICE OF PROCESS FOR THE ABOVE PURPOSES IN WILMINGTON, DELAWARE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF ANY PARTY TO SERVE PROCESS IN ANY MANNER PERMITTED BY APPLICABLE LAW. EACH PARTY EXPRESSLY ACKNOWLEDGES THAT THE FOREGOING WAIVER IS INTENDED TO BE IRREVOCABLE UNDER THE LAWS OF THE STATE OF DELAWARE AND OF THE UNITED STATES OF AMERICA.

Section 11.09. *WAIVER OF JURY TRIAL.* EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL

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PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 11.10. *Counterparts; Effectiveness.* This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by all of the other parties hereto. Until and unless each party has received a counterpart hereof signed by each other party hereto, this Agreement shall have no effect and no party shall have any right or obligation hereunder (whether by virtue of any other oral or written agreement or other communication).

Section 11.11. *Entire Agreement.* This Agreement and the Confidentiality Agreement constitute the entire agreement between the parties with respect to the subject matter of this Agreement and supersede all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

Section 11.12. *Severability.* If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other Governmental Authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

Section 11.13. *Specific Performance.* The parties hereto agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its terms, and that monetary damages, even if available, would not be an adequate remedy therefor. Accordingly, the parties hereto agree that the parties shall be entitled to an injunction or injunctions, or any other appropriate form of equitable relief, to prevent breaches of this Agreement or to enforce specifically the performance of the terms and provisions hereof in any court referred to in Section 11.08(a), without the necessity of proving the inadequacy of money damages as a remedy (and each party hereby waives any requirement for the securing or posting of any bond in connection with such remedy), in addition to any other remedy to which they are entitled at law or in equity. Notwithstanding anything herein to the contrary, if, prior to the End Date, any party brings any suit, action or proceeding to enforce specifically the performance of the terms and provisions hereof by any other party, the End Date shall automatically be extended by the amount of time during which such suit, action or proceeding is pending, plus twenty (20) Business Days, or such longer time period established by the court presiding over such suit, action or proceeding, if any.

[The remainder of this page has been intentionally left blank; the next page is the signature page.]

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the date set forth on the cover page of this Agreement.

STEWART INFORMATION SERVICES CORPORATION

By: /s/ JOHN L. KILLEA

Name: John L. Killea
Title: President and Chief Legal Officer

FIDELITY NATIONAL FINANCIAL, INC.

By: /s/ BRENT B. BICKETT

Name: Brent B. Bickett
Title: Executive Vice President, Corporate Strategy

A HOLDCO CORP.

By: /s/ BRENT B. BICKETT

Name: Brent B. Bickett
Title: President

S HOLDCO LLC

By: /s/ BRENT B. BICKETT

Name: Brent B. Bickett
Title: President

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ANNEX A

REQUIRED INSURANCE REGULATORY FILINGS/APPROVALS

1. Form A Change of Control filings made with Texas Department of Insurance in respect of the Stewart Title Guaranty Company in Texas and receipt of approval from Texas Department of Insurance in connection therewith
2. Form A Change of Control filings made with New York Department of Financial Services in respect of the Stewart Title Insurance Company in New York and receipt of approval from New York Department of Financial Services in connection therewith
3. Form E Filings made with State DOI's for an acquisition involving a change in control of an insurer to ensure the acquisition does not have an anti-competitive effect for each of the following states:
 - a. Alabama
 - b. Alaska
 - c. Arkansas
 - d. Arizona
 - e. Colorado
 - f. Connecticut
 - g. District of Columbia
 - h. Delaware
 - i. Georgia
 - j. Hawaii
 - k. Idaho
 - l. Illinois
 - m. Indiana
 - n. Kentucky
 - o. Louisiana
 - p. Maryland
 - q. Minnesota
 - r. Mississippi
 - s. Missouri
 - t. Nevada
 - u. New Mexico

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- v. New Hampshire
- w. New Jersey
- x. North Dakota
- y. Oklahoma
- z. Oregon
- aa. Pennsylvania
- bb. Puerto Rico
- cc. Rhode Island
- dd. South Carolina
- ee. South Dakota
- ff. Tennessee
- gg. Utah
- hh. Vermont
- ii. Virginia
- jj. Washington
- kk. Wisconsin
- ll. West Virginia
- mm. US Virgin Islands

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4. State relicensing as an agent for each of the title agents licensed in Texas
5. State Change in Control Filings for title and escrow entities in each of the following states:
 - a. Arizona (in respect of escrow entities)
 - b. California (in respect of UTC and escrow entities)
 - c. Oregon (in respect of escrow entities)
6. Change in Control filings for all of the Stewart international operations that are required by Insurance Law in Canada, Mexico and the UK.

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ANNEX B

FOREIGN ANTITRUST APPROVALS

1. Competition Act Filing Canada Competition Bureau.

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March 18, 2018

The Board of Directors
 Stewart Information Services Corporation
 1980 Post Oak Blvd.
 Houston, TX 77056

Members of the Board:

You have requested our opinion as to the fairness, from a financial point of view, to the holders of the common stock of Stewart Information Services Corporation (the "Company") (other than holders of Excluded Shares and Dissenting Shares (each as defined in the Merger Agreement)) of the Merger Consideration (as defined below) to be received by such holders pursuant to the terms and subject to the conditions set forth in the Agreement and Plan of Merger, dated as of March 18, 2018 (the "Merger Agreement"), among the Company, Fidelity National Financial, Inc. ("Parent"), A Holdco Corp. ("Merger Sub I") and S Holdco LLC ("Merger Sub II"). As more fully described in the Merger Agreement, (i) (a) at the Effective Time (as defined in the Merger Agreement), Merger Sub I will be merged with and into the Company and the Company will be the surviving corporation (the "Initial Surviving Entity") and (b) immediately following the Effective Time and at the Subsequent Effective Time (as defined in the Merger Agreement), the Initial Surviving Entity will be merged with and into Merger Sub II, and Merger Sub II will be the surviving company ((a) and (b) together, the "Mergers") and (ii) each outstanding share of the common stock, par value \$1.00 per share, of the Company ("Company Common Stock"), other than any Excluded Share, Dissenting Share or Company Equity Award (each as defined in the Merger Agreement), will be converted into the right to receive the following, at the election of the holder of such share of Company Common Stock, (a) an amount of cash (the "Cash Election Consideration") equal to the greater of (i)(x) \$50.00 *minus* (y) the Per Share Cash Reduction Amount (as defined in the Merger Agreement) and (ii) \$45.50 (the "Per Share Price"), (b) a number of shares of common stock (the "Stock Election Consideration"), \$0.0001 par value per share, of Parent ("Parent Common Stock") equal to the quotient (rounded to the nearest four decimal places) obtained by dividing (x) the Per Share Price by (y) \$38.91, which is the 20-Day VWAP (as defined in the Merger Agreement) of the Parent Common Stock as of the date of the Merger Agreement (the "Exchange Ratio") or (c)(i) a number of shares of Parent Common Stock equal to the product (rounded to the nearest four decimal places) of (w) the Exchange Ratio and (x) 0.50 and (ii) an amount in cash equal to the product (rounded to the nearest two decimal places) of (y) the Per Share Price and (z) 0.50 (the "Mixed Election Consideration"). The Cash Election Consideration, Stock Election Consideration and Mixed Election Consideration to be paid in connection with the Mergers is referred to in the aggregate as the "Merger Consideration". The Merger Consideration is subject to certain proration procedures and adjustments (to which we express no view or opinion) set forth in the Merger Agreement, the effect of which is that the Mixed Election Cash Consideration (as defined in the Merger Agreement) shall not exceed 50% of the Per Share Price and the aggregate amount of cash paid and the aggregate number of shares of Parent Common Stock issued to all holders of Company Common Stock shall not exceed the aggregate amount of cash that would have been paid (not including cash that would have been paid in respect of any fractional shares of Company Common Stock) and the aggregate number of shares of Parent Common Stock that would have been issued, to all of the holders of shares of Company Common Stock had the Mixed Election (as defined in the Merger Agreement) been made with respect to each share of Company Common Stock. Any holder of shares of Company Common Stock who does not elect to receive the Cash Election Consideration, the Stock Election Consideration or the Mixed Election Consideration with respect to any shares of Company Common Stock held or beneficially owned by such holder will receive the Mixed Election Consideration for such shares of Company Common Stock.

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In arriving at our opinion, we reviewed the Merger Agreement and held discussions with certain senior officers, directors and other representatives and advisors of the Company concerning the businesses, operations and prospects of the Company and Parent and held discussions with certain senior officers and other representatives and advisors of Parent concerning the businesses, operations and prospects of Parent. We examined certain publicly available business and financial information relating to the Company and Parent as well as certain financial forecasts and other information and data relating to the Company and Parent which were provided to us by management of the Company, including financial forecasts relating to the Company prepared and provided to us by the management of the Company (the "Company Management Projections") and financial forecasts relating to Parent prepared and provided to us by management of Parent. We reviewed the financial terms of the Mergers as set forth in the Merger Agreement in relation to, among other things: current and historical market prices and trading volumes of the Company Common Stock and Parent Common Stock and the historical and projected earnings and other operating data of the Company and Parent. We considered, to the extent publicly available, certain financial, stock market and other publicly available information relating to the businesses of other companies whose operations we considered relevant in evaluating those of the Company. In connection with our engagement and at the direction of the Company, we were requested to approach, and we held discussions with, selected third parties to solicit indications of interest in the possible acquisition of the Company. In addition to the foregoing, we conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our opinion. We note that, for purposes of our opinion, we did not rely upon a review of the publicly available financial terms of other transactions because we did not identify a sufficient number of relevant transactions in which we deemed the acquired companies to be sufficiently similar to the Company. The issuance of our opinion has been authorized by our fairness opinion committee.

In rendering our opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data publicly available or provided to or otherwise reviewed by or discussed with us and upon the assurances of the management of the Company that they are not aware of any relevant information that has been omitted or that remains undisclosed to us. In addition, the management of the Company has advised us, and we have assumed, that the Company Management Projections were reasonably prepared on bases reflecting the best currently available estimates and judgments of such management as to the future financial performance of the Company. At your direction we have assumed that the Company Management Projections provide a reasonable basis on which to evaluate the Company and the proposed Mergers and we have used and relied upon the Company Management Projections for the purposes of our analysis and opinion. We express no view or opinion with respect to the Company Management Projections or the assumptions on which they are based. The management of the Company has advised us, and we have assumed, that the Company Management Projections reflect the best currently available views and assessments of the management of the Company regarding the potential impact of recent changes in U.S. tax laws and regulations pursuant to H.R. 1, Tax Cuts and Jobs Act, enacted on December 22, 2017 (the "Tax Cuts and Jobs Act") on the future financial performance of the Company. We further note that the actual and estimated financial and operating performance and the share price data we reviewed for the companies with publicly traded equity securities that we deemed to be relevant might not, in whole or in part, reflect the potential impact of the Tax Cuts and Jobs Act.

We have assumed, with your consent, that the Mergers will be consummated in accordance with their terms, without waiver, modification or amendment of any material term, condition or agreement and that, in the course of obtaining the necessary regulatory or third party approvals, consents and releases for the Mergers, no delay, limitation, restriction or condition will be imposed that would have a material adverse effect on the Company, Parent or the contemplated benefits of the Mergers, other than that the Per Share Cash Reduction Amount may be an amount up to or equal to \$4.50. We also have assumed, with your consent, that the Mergers will be treated as a tax-free reorganization for

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federal income tax purposes. We are not expressing any opinion as to what the value of the Parent Common Stock actually will be when issued pursuant to the Mergers or the price at which the Parent Common Stock will trade at any time. We have not made or been provided with an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of the Company or Parent nor have we made any physical inspection of the properties or assets of the Company or Parent. We are not experts in the evaluation of insurance liabilities for purposes of assessing the adequacy of reserves for losses and loss adjustment expenses with respect thereto and we have not made an independent evaluation of the adequacy of such reserves of the Company or Parent. Hence we express no opinion or view as to the adequacy or sufficiency of reserves for losses and loss adjustment expenses or other matters with respect thereto and we have assumed that each of the Company and Parent has, and the Parent will have pro forma for the Mergers, appropriate reserves to cover such losses. In addition, we have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims or other contingent liabilities, to which the Company or Parent is or may be a party or is or may be subject, or of any governmental investigation of any possible unasserted claims or other contingent liabilities to which the Company or Parent is or may be a party or is or may be subject.

Our opinion is limited to the fairness, from a financial point of view, to the holders of Company Common Stock (other than the holders of Excluded Shares and Dissenting Shares) of the Merger Consideration to be received by such holders pursuant to the Merger Agreement in the manner provided herein and does not address any other aspect or implication of the Mergers or any agreement, arrangement or understanding entered into in connection therewith or otherwise including, without limitation, whether the consideration to be received by holders of Excluded Shares or Dissenting Shares in the Mergers is fair, from a financial point of view, to such holders. Our opinion does not address the underlying business decision of the Company to effect the Mergers, the relative merits of the Mergers as compared to any alternative business strategies that might exist for the Company or the effect of any other transaction in which the Company might engage. We also express no view as to, and our opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees of any parties to the Mergers, or any class of such persons, relative to the Merger Consideration or otherwise. Our opinion is necessarily based upon information available to us, and financial, stock market and other conditions and circumstances existing, as of the date hereof. We have not undertaken, and are under no obligation, to update, revise, reaffirm or withdraw our opinion, or otherwise comment on or consider events occurring or coming to our attention after the date hereof.

Citigroup Global Markets Inc. has acted as financial advisor to the Company in connection with the proposed Mergers and will receive a fee for such services, a significant portion of which is contingent upon the consummation of the Mergers. We also will receive a fee in connection with the delivery of this opinion. In the two years preceding the date of this opinion, we and our affiliates have not provided investment banking, financing or other related services to the Company unrelated to the proposed Mergers for which services we and such affiliates have received or expect to receive compensation. In the two years preceding the date of this opinion, we and our affiliates have not provided investment banking, financing or other related services to Parent for which services we and such affiliates have received or expect to receive compensation. In the ordinary course of our business, we and our affiliates may actively trade or hold the securities of the Company and Parent for our own account or for the account of our customers and, accordingly, may at any time hold a long or short position in such securities. In addition, we and our affiliates (including Citigroup Inc. and its affiliates) may maintain relationships with the Company, Parent and their respective affiliates.

Our advisory services and the opinion expressed herein are provided for the information of the Board of Directors of the Company in its evaluation of the proposed Mergers, and our opinion is not intended to be and does not constitute a recommendation to any stockholder as to how such

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stockholder should vote or act on any matters relating to the proposed Mergers, including whether such stockholder should elect to receive, the Cash Election Consideration, the Stock Election Consideration and/or the Mixed Election Consideration.

Based upon and subject to the foregoing, our experience as investment bankers, our work as described above and other factors we deemed relevant, we are of the opinion that, as of the date hereof, the Merger Consideration is fair, from a financial point of view, to the holders of the Company Common Stock, other than the holders of Excluded Shares and Dissenting Shares.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

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Annex C Section 262 of Delaware General Corporation Law

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SECTION 262 OF THE GENERAL CORPORATION LAW OF THE STATE OF DELAWARE

§ 262. Appraisal rights.

(a) Any stockholder of a corporation of this State who holds shares of stock on the date of the making of a demand pursuant to subsection (d) of this section with respect to such shares, who continuously holds such shares through the effective date of the merger or consolidation, who has otherwise complied with subsection (d) of this section and who has neither voted in favor of the merger or consolidation nor consented thereto in writing pursuant to §228 of this title shall be entitled to an appraisal by the Court of Chancery of the fair value of the stockholder's shares of stock under the circumstances described in subsections (b) and (c) of this section. As used in this section, the word "stockholder" means a holder of record of stock in a corporation; the words "stock" and "share" mean and include what is ordinarily meant by those words; and the words "depository receipt" mean a receipt or other instrument issued by a depository representing an interest in 1 or more shares, or fractions thereof, solely of stock of a corporation, which stock is deposited with the depository.

(b) Appraisal rights shall be available for the shares of any class or series of stock of a constituent corporation in a merger or consolidation to be effected pursuant to §251 (other than a merger effected pursuant to §251(g) of this title and, subject to paragraph (b)(3) of this section, §251(h) of this title), §252, §254, §255, §256, §257, §258, §263 or §264 of this title :

(1) Provided, however, that, except as expressly provided in §363(b) of this title, no appraisal rights under this section shall be available for the shares of any class or series of stock, which stock, or depository receipts in respect thereof, at the record date fixed to determine the stockholders entitled to receive notice of the meeting of stockholders to act upon the agreement of merger or consolidation, were either: (i) listed on a national securities exchange or (ii) held of record by more than 2,000 holders; and further provided that no appraisal rights shall be available for any shares of stock of the constituent corporation surviving a merger if the merger did not require for its approval the vote of the stockholders of the surviving corporation as provided in §251(f) of this title.

(2) Notwithstanding paragraph (b)(1) of this section, appraisal rights under this section shall be available for the shares of any class or series of stock of a constituent corporation if the holders thereof are required by the terms of an agreement of merger or consolidation pursuant to §§251, 252, 254, 255, 256, 257, 258, 263 and 264 of this title to accept for such stock anything except:

a. Shares of stock of the corporation surviving or resulting from such merger or consolidation, or depository receipts in respect thereof;

b. Shares of stock of any other corporation, or depository receipts in respect thereof, which shares of stock (or depository receipts in respect thereof) or depository receipts at the effective date of the merger or consolidation will be either listed on a national securities exchange or held of record by more than 2,000 holders;

c. Cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2) a. and b. of this section; or

d. Any combination of the shares of stock, depository receipts and cash in lieu of fractional shares or fractional depository receipts described in the foregoing paragraphs (b)(2) a., b. and c. of this section.

(3) In the event all of the stock of a subsidiary Delaware corporation party to a merger effected under §251(h), §253 or §267 of this title is not owned by the parent immediately prior to the merger, appraisal rights shall be available for the shares of the subsidiary Delaware corporation.

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(4) In the event of an amendment to a corporation's certificate of incorporation contemplated by §363(a) of this title, appraisal rights shall be available as contemplated by §363(b) of this title, and the procedures of this section, including those set forth in subsections (d) and (e) of this section, shall apply as nearly as practicable, with the word "amendment" substituted for the words "merger or consolidation", and the word "corporation" substituted for the words "constituent corporation" and/or "surviving or resulting corporation".

(c) Any corporation may provide in its certificate of incorporation that appraisal rights under this section shall be available for the shares of any class or series of its stock as a result of an amendment to its certificate of incorporation, any merger or consolidation in which the corporation is a constituent corporation or the sale of all or substantially all of the assets of the corporation. If the certificate of incorporation contains such a provision, the 1 *provisions* of this section, including those set forth in subsections (d), 2 (e), and (g) of this section, shall apply as nearly as is practicable.

(d) Appraisal rights shall be perfected as follows:

(1) If a proposed merger or consolidation for which appraisal rights are provided under this section is to be submitted for approval at a meeting of stockholders, the corporation, not less than 20 days prior to the meeting, shall notify each of its stockholders who was such on the record date for notice of such meeting (or such members who received notice in accordance with §255(c) of this title) with respect to shares for which appraisal rights are available pursuant to subsection (b) or (c) of this section that appraisal rights are available for any or all of the shares of the constituent corporations, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of §114 of this title. Each stockholder electing to demand the appraisal of such stockholder's shares shall deliver to the corporation, before the taking of the vote on the merger or consolidation, a written demand for appraisal of such stockholder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such stockholder's shares. A proxy or vote against the merger or consolidation shall not constitute such a demand. A stockholder electing to take such action must do so by a separate written demand as herein provided. Within 10 days after the effective date of such merger or consolidation, the surviving or resulting corporation shall notify each stockholder of each constituent corporation who has complied with this subsection and has not voted in favor of or consented to the merger or consolidation of the date that the merger or consolidation has become effective; or

(2) If the merger or consolidation was approved pursuant to §228, §251(h), §253, or §267 of this title, then either a constituent corporation before the effective date of the merger or consolidation or the surviving or resulting corporation within 10 days thereafter shall notify each of the holders of any class or series of stock of such constituent corporation who are entitled to appraisal rights of the approval of the merger or consolidation and that appraisal rights are available for any or all shares of such class or series of stock of such constituent corporation, and shall include in such notice a copy of this section and, if 1 of the constituent corporations is a nonstock corporation, a copy of §114 of this title. Such notice may, and, if given on or after the effective date of the merger or consolidation, shall, also notify such stockholders of the effective date of the merger or consolidation. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of such notice or, in the case of a merger approved pursuant to §251(h) of this title, within the later of the consummation of the 3 offer contemplated by §251(h) of this title and 20 days after the date of mailing of such notice, demand in writing from the surviving or resulting corporation the appraisal of such holder's shares. Such demand will be sufficient if it reasonably informs the corporation of the identity of the stockholder and that the stockholder intends thereby to demand the appraisal of such holder's shares. If such notice did not notify stockholders of the effective date of the merger or consolidation, either (i) each such

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constituent corporation shall send a second notice before the effective date of the merger or consolidation notifying each of the holders of any class or series of stock of such constituent corporation that are entitled to appraisal rights of the effective date of the merger or consolidation or (ii) the surviving or resulting corporation shall send such a second notice to all such holders on or within 10 days after such effective date; provided, however, that if such second notice is sent more than 20 days following the sending of the first notice or, in the case of a merger approved pursuant to §251(h) of this title, later than the later of the consummation of the 3 offer contemplated by §251(h) of this title and 20 days following the sending of the first notice, such second notice need only be sent to each stockholder who is entitled to appraisal rights and who has demanded appraisal of such holder's shares in accordance with this subsection. An affidavit of the secretary or assistant secretary or of the transfer agent of the corporation that is required to give either notice that such notice has been given shall, in the absence of fraud, be prima facie evidence of the facts stated therein. For purposes of determining the stockholders entitled to receive either notice, each constituent corporation may fix, in advance, a record date that shall be not more than 10 days prior to the date the notice is given, provided, that if the notice is given on or after the effective date of the merger or consolidation, the record date shall be such effective date. If no record date is fixed and the notice is given prior to the effective date, the record date shall be the close of business on the day next preceding the day on which the notice is given.

(e) Within 120 days after the effective date of the merger or consolidation, the surviving or resulting corporation or any stockholder who has complied with subsections (a) and (d) of this section hereof and who is otherwise entitled to appraisal rights, may commence an appraisal proceeding by filing a petition in the Court of Chancery demanding a determination of the value of the stock of all such stockholders. Notwithstanding the foregoing, at any time within 60 days after the effective date of the merger or consolidation, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party shall have the right to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation. Within 120 days after the effective date of the merger or consolidation, any stockholder who has complied with the requirements of subsections (a) and (d) of this section hereof, upon written request, shall be entitled to receive from the corporation surviving the merger or resulting from the consolidation a statement setting forth the aggregate number of shares not voted in favor of the merger or consolidation and with respect to which demands for appraisal have been received and the aggregate number of holders of such shares. Such written statement shall be mailed to the stockholder within 10 days after such stockholder's written request for such a statement is received by the surviving or resulting corporation or within 10 days after expiration of the period for delivery of demands for appraisal under subsection (d) of this section hereof, whichever is later. Notwithstanding subsection (a) of this section, a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, in such person's own name, file a petition or request from the corporation the statement described in this subsection.

(f) Upon the filing of any such petition by a stockholder, service of a copy thereof shall be made upon the surviving or resulting corporation, which shall within 20 days after such service file in the office of the Register in Chancery in which the petition was filed a duly verified list containing the names and addresses of all stockholders who have demanded payment for their shares and with whom agreements as to the value of their shares have not been reached by the surviving or resulting corporation. If the petition shall be filed by the surviving or resulting corporation, the petition shall be accompanied by such a duly verified list. The Register in Chancery, if so ordered by the Court, shall give notice of the time and place fixed for the hearing of such petition by registered or certified mail to the surviving or resulting corporation and to the stockholders shown on the list at the addresses therein stated. Such notice shall also be given by 1 or more publications at least 1 week before the day of the hearing, in a newspaper of general circulation published in the City of Wilmington, Delaware or such

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publication as the Court deems advisable. The forms of the notices by mail and by publication shall be approved by the Court, and the costs thereof shall be borne by the surviving or resulting corporation.

(g) At the hearing on such petition, the Court shall determine the stockholders who have complied with this section and who have become entitled to appraisal rights. The Court may require the stockholders who have demanded an appraisal for their shares and who hold stock represented by certificates to submit their certificates of stock to the Register in Chancery for notation thereon of the pendency of the appraisal proceedings; and if any stockholder fails to comply with such direction, the Court may dismiss the proceedings as to such stockholder. *If immediately before the merger or consolidation the shares of the class or series of stock of the constituent corporation as to which appraisal rights are available were listed on a national securities exchange, the Court shall dismiss the proceedings as to all holders of such shares who are otherwise entitled to appraisal rights unless (1) the total number of shares entitled to appraisal exceeds 1% of the outstanding shares of the class or series eligible for appraisal, (2) the value of the consideration provided in the merger or consolidation for such total number of shares exceeds \$1 million, or (3) the merger was approved pursuant to §253 or §267 of this title.*

(h) After the Court determines the stockholders entitled to an appraisal, the appraisal proceeding shall be conducted in accordance with the rules of the Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding the Court shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or expectation of the merger or consolidation, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Court shall take into account all relevant factors. Unless the Court in its discretion determines otherwise for good cause shown, *and except as provided in this subsection*, interest from the effective date of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective date of the merger and the date of payment of the judgment. *At any time before the entry of judgment in the proceedings, the surviving corporation may pay to each stockholder entitled to appraisal an amount in cash, in which case interest shall accrue thereafter as provided herein only upon the sum of (1) the difference, if any, between the amount so paid and the fair value of the shares as determined by the Court, and (2) interest theretofore accrued, unless paid at that time.* Upon application by the surviving or resulting corporation or by any stockholder entitled to participate in the appraisal proceeding, the Court may, in its discretion, proceed to trial upon the appraisal prior to the final determination of the stockholders entitled to an appraisal. Any stockholder whose name appears on the list filed by the surviving or resulting corporation pursuant to subsection (f) of this section and who has submitted such stockholder's certificates of stock to the Register in Chancery, if such is required, may participate fully in all proceedings until it is finally determined that such stockholder is not entitled to appraisal rights under this section.

(i) The Court shall direct the payment of the fair value of the shares, together with interest, if any, by the surviving or resulting corporation to the stockholders entitled thereto. Payment shall be so made to each such stockholder, in the case of holders of uncertificated stock forthwith, and in the case of holders of shares represented by certificates upon the surrender to the corporation of the certificates representing such stock. The Court's decree may be enforced as other decrees in the Court of Chancery may be enforced, whether such surviving or resulting corporation be a corporation of this State or of any state.

(j) The costs of the proceeding may be determined by the Court and taxed upon the parties as the Court deems equitable in the circumstances. Upon application of a stockholder, the Court may order all or a portion of the expenses incurred by any stockholder in connection with the appraisal proceeding, including, without limitation, reasonable attorney's fees and the fees and expenses of experts, to be charged pro rata against the value of all the shares entitled to an appraisal.

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(k) From and after the effective date of the merger or consolidation, no stockholder who has demanded appraisal rights as provided in subsection (d) of this section shall be entitled to vote such stock for any purpose or to receive payment of dividends or other distributions on the stock (except dividends or other distributions payable to stockholders of record at a date which is prior to the effective date of the merger or consolidation); provided, however, that if no petition for an appraisal shall be filed within the time provided in subsection (e) of this section, or if such stockholder shall deliver to the surviving or resulting corporation a written withdrawal of such stockholder's demand for an appraisal and an acceptance of the merger or consolidation, either within 60 days after the effective date of the merger or consolidation as provided in subsection (e) of this section or thereafter with the written approval of the corporation, then the right of such stockholder to an appraisal shall cease. Notwithstanding the foregoing, no appraisal proceeding in the Court of Chancery shall be dismissed as to any stockholder without the approval of the Court, and such approval may be conditioned upon such terms as the Court deems just; provided, however that this provision shall not affect the right of any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party to withdraw such stockholder's demand for appraisal and to accept the terms offered upon the merger or consolidation within 60 days after the effective date of the merger or consolidation, as set forth in subsection (e) of this section.

(l) The shares of the surviving or resulting corporation to which the shares of such objecting stockholders would have been converted had they assented to the merger or consolidation shall have the status of authorized and unissued shares of the surviving or resulting corporation. (Last amended by Ch. 265, L. '16, eff. only with respect to transactions consummated pursuant to agreements entered into on or after 8-1-16 (or, in the case of mergers pursuant to Section 253, resolutions of the board of directors adopted on or after 8-1-16 or, in the case of mergers pursuant to Section 267, authorizations provided on or after 8-1-16 in accordance with an entity's (as defined in Section 267) governing documents (as defined in Section 267) and the laws of the jurisdiction under which such entity is formed or organized), and appraisal proceedings arising out of such transactions.)

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers

Section 145 of the Delaware General Corporation Law, or DGCL, provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 145 further provides that a corporation similarly may indemnify any such person serving in any such capacity who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) actually and reasonably incurred in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Delaware Court of Chancery or such other court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

As permitted by the DGCL, the registrant's certificate of incorporation includes a provision that eliminates the personal liability of its directors for monetary damages for breach of fiduciary duty as a director, except for liability:

for any breach of the director's duty of loyalty to the registrant or its stockholders;

for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law;

under Section 174 of the DGCL regarding unlawful dividends and stock purchases; or

for any transaction from which the director derived an improper personal benefit.

As permitted by the DGCL, the registrant's certificate of incorporate and bylaws provide that:

the registrant is required to indemnify its directors and officers to the fullest extent permitted under the DGCL, subject to very limited exceptions;

the registrant may indemnify its other employees and agents to the fullest extent permitted by law, subject to very limited exceptions;

the registrant is required to advance expenses, as incurred, to its directors and officers in connection with a proceeding to the maximum extent permitted under the DGCL, subject to very limited exceptions;

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the rights conferred in the certificate of incorporation or bylaws are not exclusive.

Item 21. Exhibits and Financial Statement Schedules

- (a) Exhibits.

Reference is made to the Index to Exhibits following the signature pages hereto, which Index to Exhibits is hereby incorporated into this item.

- (b) Financial Statement Schedule.

Financial statement schedules are omitted because they are not required or the required information is shown in the consolidated financial statements or the notes thereto included in the proxy statement/prospectus that forms a part of this registration statement.

- (c) Opinions.

The opinion of Citi, financial advisor to Stewart, is attached as Annex B to the proxy statement/prospectus contained herein.

Item 22. Undertakings

The undersigned registrant hereby undertakes:

- (a)(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) to reflect in the prospectus any facts or events arising after the effective date of this registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser: if the registrant is subject to Rule 430C, each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the

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registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) That prior to any public reoffering of the securities registered hereunder through use of a prospectus which is a part of this registration statement, by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c), the issuer undertakes that such reoffering prospectus will contain the information called for by the applicable registration form with respect to reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(c) That every prospectus (i) that is filed pursuant to paragraph (b) immediately preceding, or (ii) that purports to meet the requirements of Section 10(a)(3) of the Securities Act of 1933 and is used in connection with an offering of securities subject to Rule 415, will be filed as a part of an amendment to the registration statement and will not be used until such amendment is effective, and that, for purposes of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(d) To respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of this registration statement through the date of responding to the request.

(e) To supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in this registration statement when it became effective.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the

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event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question as to whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

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EXHIBIT INDEX

Exhibit Number	Title
2.1	<u>Agreement and Plan of Merger, dated as of March 18, 2018, by and among Stewart Information Services Corporation, Fidelity National Financial, Inc., A Holdco Corp. and S Holdco LLC (included as Annex A to the proxy statement/prospectus)</u>
2.2	<u>Securities Exchange and Distribution Agreement between Old FNF and the Registrant, dated as of June 25, 2006, as amended and restated as of September 18, 2006 (incorporated by reference to Annex A to the Registrant's Schedule 14C filed on September 19, 2006)</u>
2.3	<u>Agreement and Plan of Merger, dated as of May 28, 2013, among Fidelity National Financial, Inc., Lion Merger Sub, Inc. and Lender Processing Services, Inc. (incorporated by reference to Exhibit 2.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, filed on May 28, 2013)</u>
2.4	<u>Reorganization Agreement, dated as of June 8, 2017, by and among Fidelity National Financial, Inc., Black Knight Holdings, Inc., and New BKH Corp. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on June 9, 2017)</u>
2.5	<u>Agreement and Plan of Merger, dated as of June 8, 2017, by and among Fidelity National Financial, Inc., New BKH Corp., Black Knight Financial Services, Inc., Black Knight Holdco Corp., New BKH Merger Sub, Inc., and BKFS Merger Sub, Inc. (incorporated by reference to Exhibit 2.2 to the Registrant's Current Report on Form 8-K filed on June 9, 2017)</u>
2.6	<u>Reorganization Agreement, dated as of November 17, 2017, by and between Fidelity National Financial, Inc. and Cannae Holdings, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K filed on November 20, 2017)</u>
3.1	<u>Fifth Amended and Restated Certificate of Incorporation of Fidelity National Financial, Inc. (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K filed on June 13, 2018)</u>
3.2	<u>Fourth Amended and Restated Bylaws of Fidelity National Financial, Inc., February 1, 2017 (incorporated by reference to Exhibit 3.1 to Fidelity National Financial, Inc.'s Current Report on Form 8-K, dated February 2, 2017)</u>
4.1	<u>Indenture between the Registrant and The Bank of New York Trust Company, N.A., dated December 8, 2005 (incorporated by reference to Exhibit 4.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005)</u>
4.2	<u>First Supplemental Indenture between the Registrant and the Bank of New York Trust Company, N.A., dated as of January 6, 2006 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on January 24, 2006)</u>
4.3	<u>Second Supplemental Indenture, dated May 5, 2010, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on May 5, 2010)</u>
4.4	<u>Third Supplemental Indenture, dated as of June 30, 2014, between the Registrant and The Bank of New York Mellon Trust Company, N.A. (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed on June 30, 2014)</u>
4.5	<u>Form of Subordinated Indenture between the Registrant and the Bank of New York Trust Company, N.A. (incorporated by reference to Exhibit 4.2 (A) to the Registrant's Registration Statement on Form S-3 filed on November 14, 2007)</u>
4.6	<u>Form of 4.25% Convertible Senior Note due August 2018 (incorporated by reference to Exhibit 4.5 to the Registrant's Current Report on Form 8-K filed on August 2, 2011)</u>

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Exhibit Number	Title
4.7	<u>Specimen certificate for shares of the Registrant's FNF Group common stock, par value \$0.0001 per Share (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-4/A filed on May 5, 2014)</u>
5.1*	<u>Opinion and consent of Weil, Gotshal & Manges, LLP, as to the legality of the securities being offered</u>
8.1	<u>Opinion of Davis Polk & Wardwell LLP regarding certain federal income tax matters</u>
10.1	<u>Fourth Amended and Restated Credit Agreement, dated as of April 27, 2017, by and among Fidelity National Financial, Inc., a Delaware corporation, as the borrower, Bank of America, N.A., as administrative agent, the other agents party thereto and the financial institutions party thereto as lenders (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on May 2, 2017)</u>
10.2	<u>Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Annex A to the Registrant's Schedule 14A filed on April 29, 2016)(1)</u>
10.3	<u>Fidelity National Financial, Inc. 2013 Employee Stock Purchase Plan (incorporated by reference to Annex D to the Registrant's Schedule 14A filed on May 9, 2014)(1)</u>
10.4	<u>Fidelity National Financial, Inc. Annual Incentive Plan (incorporated by reference to Annex B to the Registrant's Schedule 14A filed on April 29, 2016)(1)</u>
10.5	<u>Fidelity National Financial, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2009 (incorporated by reference to Exhibit 10.18 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2008)(1)</u>
10.6	<u>Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards(1) (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015)</u>
10.7	<u>Form of Notice of FNF Group Stock Option Award and FNF Group Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2015 Awards (incorporated by reference to Exhibit 10.12 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015)(1)</u>
10.8	<u>Form of Notice of Stock Option Award and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for November 2013 Awards (incorporated by reference to Exhibit 10.12 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2013)(1)</u>
10.9	<u>Form of Notice of Stock Option Grant and Stock Option Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012)(1)</u>
10.10	<u>Tax Disaffiliation Agreement by and among Old FNF, the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.1 to Old FNF's Form 8-K, filed on October 27, 2006)</u>
10.11	<u>Cross-Indemnity Agreement by and between the Registrant and FIS, dated as of October 23, 2006 (incorporated by reference to Exhibit 99.2 to Old FNF's Form 8-K, filed on October 27, 2006)</u>

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Exhibit Number	Title
10.12	<u>Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.11 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008)(1)</u>
10.13	<u>Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.13 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009)(1)</u>
10.14	<u>Amendment effective as of July 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012)(1)</u>
10.15	<u>Amendment effective as of January 1, 2012 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.16 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2011)(1)</u>
10.16	<u>Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.15 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009)</u>
10.17	<u>Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett, effective July 2, 2008 (incorporated by reference to Exhibit 10.17 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)(1)</u>
10.18	<u>Director Services Agreement between Fidelity National Financial, Inc. and William P. Foley, II (incorporated by reference to Exhibit 10.27 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2015)(1)</u>
10.19	<u>Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008(1) (incorporated by reference to Exhibit 10.16 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2008)</u>
10.20	<u>Amendment effective February 4, 2010 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk, effective as of October 10, 2008 (incorporated by reference to Exhibit 10.21 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2009)(1)</u>
10.21	<u>Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of January 30, 2013 (incorporated by reference to Exhibit 10.22 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012)(1)</u>
10.22	<u>Amendment No. 2 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle, effective as of March 1, 2015 (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2015)(1)</u>
10.23	<u>Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski, effective as of February 4, 2010 (incorporated by reference to Exhibit 10.26 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2012)(1)</u>
10.24	<u>ServiceLink Holdings, LLC 2013 Management Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed on January 15, 2014)(1)</u>
10.25	<u>Form of ServiceLink Holdings, LLC Unit Grant Agreement (incorporated by reference to Exhibit 10.4 to the Registrant's Current Report on Form 8-K filed on January 15, 2014)(1)</u>
10.26	<u>ServiceLink Holdings, LLC Incentive Plan (incorporated by reference to Exhibit 10.6 to the to the Registrant's Current Report on Form 8-K filed on January 15, 2014)(1)</u>

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Exhibit Number	Title
10.27	<u>Amendment effective May 3, 2016 to Director Services Agreement between the Registrant and William P. Foley II (incorporated by reference to Exhibit 10.1 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.28	<u>Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Raymond R. Quirk (incorporated by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.29	<u>Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Brent B. Bickett (incorporated by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.30	<u>Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Anthony J. Park (incorporated by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.31	<u>Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Michael L. Gravelle (incorporated by reference to Exhibit 10.5 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.32	<u>Amendment effective May 3, 2016 to Amended and Restated Employment Agreement between the Registrant and Peter T. Sadowski (incorporated by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.33	<u>Employment Agreement between the Registrant and Michael Nolan effective March 2, 2016 (incorporated by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.34	<u>Amendment effective May 3, 2016 to Employment Agreement between the Registrant and Michael Nolan (incorporated by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.35	<u>Employment Agreement between the Registrant and Roger Jewkes effective March 3, 2016 (incorporated by reference to Exhibit 10.9 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.36	<u>Amendment effective May 3, 2016 to Employment Agreement between the Registrant and Roger Jewkes (incorporated by reference to Exhibit 10.10 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016)(1)</u>
10.37	<u>Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement (Time-Based) under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for March 2016 Awards (incorporated by reference to Exhibit 10.58 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016)(1)</u>
10.38	<u>Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for December 2016 Awards (incorporated by reference to Exhibit 10.59 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2016)(1)</u>
10.39	<u>Form of Notice of FNF Group Restricted Stock Grant and FNF Group Restricted Stock Award Agreement under Amended and Restated Fidelity National Financial, Inc. 2005 Omnibus Incentive Plan for October 2017 Awards (incorporated by reference to Exhibit 10.39 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)(1)</u>

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Exhibit Number	Title
10.40	<u>Tax Matters Agreement, dated as of November 17, 2017, by and between Fidelity National Financial, Inc. and Cannae Holdings, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on November 20, 2017)</u>
21.1	<u>Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)</u>
23.1*	<u>Consent of Weil, Gotshal & Manges LLP (contained in opinion filed as Exhibit 5.1 hereto)</u>
23.2	<u>Consent of KPMG LLP, Independent Registered Public Accounting Firm, relating to Stewart's financial statements</u>
23.3	<u>Consent of KPMG LLP, Independent Registered Public Accounting Firm, relating to FNF's financial statements (2016 and 2015)</u>
23.4	<u>Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm, relating to FNF's financial statements (2017)</u>
24.1*	<u>Powers of Attorney (included on signature page to the initial filing of this Registration Statement)</u>
31.1	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 31.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)</u>
31.2	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 31.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)</u>
31.3	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 31.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)</u>
31.4	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 31.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)</u>
32.1	<u>Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (incorporated by reference to Exhibit 32.1 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)</u>
32.2	<u>Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (incorporated by reference to Exhibit 32.2 to the Registrant's Annual Report on Form 10-K for the year ended December 31, 2017)</u>
32.3	<u>Certification by Chief Executive Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (incorporated by reference to Exhibit 32.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)</u>
32.4	<u>Certification by Chief Financial Officer of Periodic Financial Reports pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350 (incorporated by reference to Exhibit 32.2 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018)</u>
99.1	<u>Consent of Citigroup Global Markets Inc.</u>
99.2*	<u>Form of Election</u>

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Exhibit Number	Title
99.3*	<u>Form of Proxy Card for Stewart Special Meeting</u>
101*	The following materials from Fidelity National Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2017, formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Earnings, (iv) the Consolidated Statements of Stockholders' Equity, (v) the Consolidated Statements of Cash Flows, and (vi) the Notes to Consolidated Financial Statements; and the following materials from Fidelity National Financial, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, formatted in Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Earnings, (iii) the Condensed Consolidated Statements of Comprehensive Earnings, (iv) the Condensed Consolidated Statements of Stockholders' Equity, (v) the Condensed Consolidated Statements of Cash Flows, and (vi) the Notes to the Consolidated Financial Statements.

Pursuant to Item 601(b)(2) of Regulation S-K, certain schedules and similar attachments to the Agreement and Plan of Merger have been omitted. The registrant hereby agrees to furnish supplementally a copy of any omitted schedule or similar attachment to the Securities and Exchange Commission upon request.

- (1) A management or compensatory plan or arrangement required to be filed as an exhibit to this registration statement pursuant to Item 15(c) of Form 10-K.

*
Previously filed.

Table of Contents**SIGNATURES**

Pursuant to the requirements of the Securities Act, the registrant has duly caused this Amendment No. 2 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Jacksonville, Florida, on July 26, 2018.

Fidelity National Financial, Inc.

By: /s/ MICHAEL L. GRAVELLE

Name: Michael L. Gravelle
 Title: *Executive Vice President, General Counsel and
 Corporate Secretary*

POWERS OF ATTORNEY

Pursuant to the requirements of the Securities Act, this Amendment No. 2 to the Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ RAYMOND R. QUIRK*</u> Raymond R. Quirk	Chief Executive Officer and Director (Principal Executive Officer)	July 26, 2018
<u>/s/ ANTHONY J. PARK*</u> Anthony J. Park	Executive Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)	July 26, 2018
<u>/s/ WILLIAM P. FOLEY, II*</u> William P. Foley, II	Director and Chairman of the Board	July 26, 2018
<u>/s/ DOUGLAS K. AMMERMAN*</u> Douglas K. Ammerman	Director	July 26, 2018
<u>/s/ THOMAS M. HAGERTY*</u> Thomas M. Hagerty	Director	July 26, 2018
<u>/s/ DANIEL D. (RON) LANE*</u> Daniel D. (Ron) Lane	Director	July 26, 2018
<u>/s/ RICHARD N. MASSEY*</u> Richard N. Massey	Director	July 26, 2018

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Signature	Title	Date
<hr/> <u>/s/ JOHN D. ROOD*</u> John D. Rood	Director	July 26, 2018
<hr/> <u>/s/ PETER O. SHEA, JR.*</u> Peter O. Shea, Jr.	Director	July 26, 2018
<hr/> <u>/s/ CARY H. THOMPSON*</u> Cary H. Thompson	Director	July 26, 2018
<hr/> <u>/s/ HEATHER H. MURREN*</u> Heather H. Murren	Director	July 26, 2018

*By: /s/ MICHAEL L. GRAVELLE
Michael L. Gravelle
Attorney-in-fact for persons indicated
