

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **June 20, 2022**

GWG Holdings, Inc.

(Exact name of registrant as specified in its charter)

Commission File Number: **001-36615**

Delaware

(State or other jurisdiction
of incorporation)

26-2222607

(IRS Employer
Identification No.)

325 North St. Paul Street, Suite 2650, Dallas, TX 75201
(Address of principal executive offices, including zip code)

(612) 746-1944

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock	GWGHQ	*

* On May 18, 2022, Nasdaq Stock Market LLC filed a Form 25 delisting and deregistering the shares of common stock, par value \$0.001 per share, of GWG Holdings, Inc. from The Nasdaq Stock Market, which became effective ten days after the filing of the Form 25. GWG Holdings, Inc.'s common stock began trading exclusively on the over-the-counter market on April 29, 2022 under the symbol GWGHQ.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreement

The information set forth in Item 5.02 of this Current Report on Form 8-K under the headings “Appointment of Additional Independent Directors; Formation of Board Committees” and “Appointment of Chief Restructuring Officer” is hereby incorporated by reference in this Item 1.01.

Item 5.02 Departure of Directors or Certain Officers; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Appointment of Additional Independent Directors; Formation of Board Committees

On June 20, 2022, the Board of Directors (the “Board”) of GWG Holdings, Inc. (the “Company”) duly appointed two new independent directors to the Board, Anthony R. Horton and Jeffrey S. Stein, in accordance with the Company’s Amended and Restated Bylaws. Each of Mr. Horton and Mr. Stein have substantial experience serving as directors of entities that are in proceedings under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), such as the voluntary cases (the “Chapter 11 Cases”) filed by the Company and certain of its subsidiaries (the “Debtors”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). Mr. Horton was appointed to serve as a Class III director and Mr. Stein was appointed to serve as a Class I director. There are no arrangements or understandings between either Mr. Horton or Mr. Stein and any other person pursuant to which they were appointed to the Board, other than the agreements between the Company and Messrs. Horton and Stein described in this Current Report on Form 8-K. Neither Mr. Horton nor Mr. Stein has any direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of SEC Regulation S-K.

In connection with their appointment to the Board, each of Messrs. Horton and Stein entered into an Independent Director Agreement with the Company. The Independent Director Agreements have a term expiring upon the earlier of (i) the effective date of a plan of reorganization for the Debtors pursuant to the Bankruptcy Code that has been filed and confirmed with the Bankruptcy Court and (ii) the dismissal of the Chapter 11 Cases (the “Expiration Date”). Messrs. Horton and Stein shall be entitled to cash payments of \$35,000 per month during the term of their respective Independent Director Agreement, prorated for partial month service; provided, that each of Messrs. Horton and Stein shall be entitled to a minimum of \$210,000 in aggregate fees from the Company during the term of their respective Independent Director Agreement; and provided further, that Mr. Stein shall not be entitled to compensation for service as an independent director while he is serving as Chief Restructuring Officer of the Company, as described below. Messrs. Horton and Stein are also entitled to reimbursement for reasonable business related expenses incurred in good faith in the performance of their duties for the Company.

The Independent Director Agreements include indemnification, contribution and expense advancement provisions that are customary for agreements of this nature. The indemnification, contribution and expense advancement benefits provided under the Independent Director Agreements are in addition to the indemnification and expense advancement provisions provided for in the Company’s Certificate of Incorporation and Amended and Restated Bylaws. The foregoing description of the Independent Director Agreements is qualified in its entirety by the terms of such agreements, which are filed as exhibits to this Current Report on Form 8-K and incorporated herein by reference.

In connection with their appointment as independent directors, Messrs. Horton and Stein each were appointed to two newly created committees of the Board, the Investigations Committee and the Special Committee. David F. Chavenson, an existing independent director, was also appointed to the Special Committee.

The Investigations Committee has the exclusive authority of the Board to (i) investigate any transaction, group of related transactions or other relationship (each a “Transaction”) between the Company or any of its subsidiaries and any third party that occurred at any point prior to the filing of the Chapter 11 Cases; (ii) prepare a report regarding the results of its investigation to be provided to the full Board, including its conclusions regarding whether any potential claims or causes of action should be brought regarding any Transaction; (iii) engage advisors, including outside legal counsel selected by the Investigations Committee, to assist the Investigations Committee in discharging its duties; and (iv) bring any claims or causes of action regarding any Transaction described in its report with outside legal counsel engaged by the Investigations Committee.

The Special Committee has the exclusive authority of the Board to (i) adopt any new compensation arrangements for officers of the Company in connection with the Chapter 11 Cases (a “Key Employee Plan”); (ii) evaluate the terms and conditions of the Shared Services Agreement, dated as of May 27, 2020 and effective as of January 1, 2020, between the Company and The Beneficient Company Group, L.P. (together with its subsidiaries, “Ben”) (the “Shared Services Agreement”), and the performance by the Company and Ben thereunder, relating to the period following the commencement of the Chapter 11 Cases, and any actions that may or should be taken by the Company with respect to the amendment or termination of the Shared Services Agreement and, with legal counsel engaged by the Company, the assertion of any claim or cause of action thereunder, and to prosecute and settle any such claim or cause of action; (iii) evaluate the terms and conditions of any transaction between the Company or any of its subsidiaries and any officer or director of the Company (other than the Independent Director Agreements of the Consulting Agreement (as defined below)) that presents an actual or potential conflict of interest between the Company and such officer or director (a “Potential Conflict Transaction”); and (iv) exercise general oversight of all proceedings and activities of the Company related to any Key Employee Plan, the Shared Services Agreement and any Potential Conflict Transaction.

The Special Committee also has the authority to (the following being referred to as the “Special Committee Chapter 11 Actions”) (i) evaluate the terms and conditions of (a) any debt financing proposal to be submitted to the Bankruptcy Court for approval in connection with the Chapter 11 Cases, or (b) the sale of all or a portion of the Company’s and its subsidiaries’ portfolio of life insurance policies or the sale of any of its other assets, including a sale of all or substantially all of the Company’s interests in Ben; and (ii) evaluate the terms and conditions of any plan of reorganization to be submitted by the Debtors to the Bankruptcy Court for confirmation. Any action by the Board to approve any agreement or instrument effecting any Special Committee Chapter 11 Action shall require that the Special Committee, by unanimous vote of all of its members, shall not have objected to any such agreement or instrument. The Special Committee also shall have the authority to evaluate the terms and conditions of any proposed transaction by Ben or FOXO Technologies, Inc. to become a public company by merger with a special acquisition corporation and report its findings, including any recommendation, to the Board.

Resignation of Peter T. Cangany, Jr.

Immediately prior to the appointment of Messrs. Horton and Stein as independent directors of the Board on June 20, 2022, Peter T. Cangany, Jr. resigned as a director of the Company. Mr. Cangany informed the Board that his resignation was to address any perceived conflicts by his service on the Board and his service on the board of directors of the general partner of Ben. The Company believes that eliminating any perceived conflicts will assist Ben in continuing to implement its business plan, thereby enhancing the value of the Company’s investments in Ben. The resignation of Mr. Cangany was not due to any disagreement with the Company known to an executive officer of the Company on any matter relating to the operations, policies or practices of the Company.

Appointment of Chief Restructuring Officer

On June 20, 2022, the Board also appointed Mr. Stein, age 52, as the Company’s Chief Restructuring Officer, to report to the Board and Murray T. Holland, Chairman, President and Chief Executive Officer of the Company. In connection with the appointment of Mr. Stein as the Chief Restructuring Officer, the Company and Mr. Stein entered into a Consulting Agreement, dated as of June 1, 2022 (the “Consulting Agreement”). The Consulting Agreement may be terminated by either party upon 30 days’ prior written notice.

Mr. Stein is Founder and Managing Partner of Stein & Holly Inc., a financial advisory firm that provides consulting services to public and private companies and institutional investors. Previously, Mr. Stein was a Co-Founder and Principal of Durham Asset Management LLC, a global event-driven distressed debt and special situations equity asset management firm. From January 2003 through December 2009, Mr. Stein served as Co-Director of Research at Durham responsible for the identification, evaluation and management of investments for the various Durham portfolios. From July 1997 to December 2002, Mr. Stein served as Co-Director of Research at The Delaware Bay Company, Inc., a boutique research and investment banking firm focused on the distressed debt and special situations equity asset classes. From September 1991 to August 1995, Mr. Stein was an Associate and Assistant Vice President at Shearson Lehman Brothers in the Capital Preservation & Restructuring Group. Mr. Stein currently serves as a director on the board of Ambac Financial Group, Inc., where he serves as Chairman, and as a board observer on the board of TORM plc. Mr. Stein previously served as a director on the boards of Intelsat Connect Finance S.A., NMC Health plc, Westmoreland Coal Company and Dynegy Inc. Mr. Stein received a B.A. in Economics from Brandeis University and an M.B.A. with Honors in Finance and Accounting from New York University.

Pursuant to the terms of the Consulting Agreement, Mr. Stein, in his capacity as Chief Restructuring Officer, has been engaged to, among other things, (i) review the financial and operational details of the Company to be able to assist in the formulation of a restructuring plan; (ii) assist in formulating and developing with the Board the Company's refinancing/restructuring options that are intended to be value accretive to the Company and maximize the value of the Company's assets for the benefit of the Company's stakeholders; (iii) assess options to optimize the Company's capital structure; (iv) manage and implement the restructuring plan(s) of the Company and its subsidiaries; (v) explore, assess, and recommend asset acquisition(s), disposition(s), merger(s) or other strategic transaction(s); (vi) upon consultation with and approval of the Board or of the applicable committee of the Board, as the case may be, communicate and/or negotiate with outside constituents, including, but not limited to, the Official Bondholders Committee and lenders to the Company's subsidiaries; (vii) review and analyze any revised business plan(s), including financial and operating budgets, provided by Company management and the Company's advisors; (viii) assess employee compensation matters, including the development and implementation of any key employee incentive or retention program(s); and (ix) review the Company's business reporting systems and recommend changes, if appropriate, to improve effectiveness.

During the term of the Consulting Agreement, Mr. Stein will receive a monthly consulting fee of \$100,000, which shall be prorated for partial months; provided, however, that Mr. Stein shall be entitled to receive a minimum of \$600,000 in aggregate consulting fees pursuant to the Consulting Agreement. In addition, Mr. Stein will be entitled to a success bonus of \$1,250,000 upon the completion of any "Success Event," which is the confirmation of a Chapter 11 plan of reorganization pursuant to section 1129 of the Bankruptcy Code, or a sale pursuant to Section 363 of the Bankruptcy Code, that involves substantially all of the assets of the Company and its subsidiaries and restructures or otherwise resolves all or substantially all of the indebtedness of the Company and its subsidiaries or otherwise restructures or changes the ownership of the Company. Mr. Stein is also entitled to reimbursement for reasonable business expenses necessary or appropriate to carry out his duties as Chief Restructuring Officer. As disclosed above, Mr. Stein will not be entitled to any fees for serving as a director of the Company while he is serving as Chief Restructuring Officer. In addition, Mr. Stein is not eligible to participate in any health, welfare, retirement, or other benefit plans or policies offered by the Company to its employees.

The foregoing description of the Consulting Agreement is qualified in its entirety by the terms of such agreement, which is filed as an exhibit to this Current Report on Form 8-K and incorporated herein by reference.

Bankruptcy Court Approval

While Mr. Horton and Mr. Stein have been duly appointed as directors of the Company as of June 20, 2022, the compensation and other terms of the engagements of Messrs. Horton and Stein are subject to approval by the Bankruptcy Court.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
10.1	Independent Director Agreement, dated June 2, 2022, between Anthony R. Horton and the Company.
10.2	Independent Director Agreement, dated June 14, 2022, between Jeffrey S. Stein and the Company.
10.3	Consulting Agreement, dated as of June 1, 2022, between the Company and Jeffrey S. Stein
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

GWG HOLDINGS, INC.

Date: June 24, 2022

By: /s/ Timothy L. Evans

Name: Timothy L. Evans

Title: Chief Financial Officer

INDEPENDENT DIRECTOR AGREEMENT

THIS INDEPENDENT DIRECTOR AGREEMENT (the "Agreement") is made as of June 2, 2022, by and between GWG Holdings, Inc. a Delaware corporation (the "Company"), and Anthony R. Horton ("Director"). The Company and Director are referred to herein each as a "Party" and collectively the "Parties."

BACKGROUND

WHEREAS, on April 20, 2022, the Company and two of its subsidiaries, GWG Life, LLC and GWG Life USA, LLC (collectively the "Debtors") filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") and commenced the jointly administered chapter 11 bankruptcy cases titled *In re GWG Holdings, Inc., et al.* Case No. 22-90032 (the "Chapter 11 Cases").

WHEREAS, the Chapter 11 Cases are currently pending before the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court").

WHEREAS, in connection with the Chapter 11 Cases, the Company desires and has requested that Director serve as an independent Director of the Company.

WHEREAS, the Company and Director are entering into this Agreement to induce the Director to serve in the capacity set forth above and to set forth certain understandings between the parties.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and promises contained herein, and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Company and Director hereby agree as follows:

1. **DUTIES.** Upon the affirmative vote of a majority of the existing directors of the Company, and subject to any approvals of the Bankruptcy Court, if necessary, Director agrees to (i) serve as an independent Director of the Company and to be available to perform the duties consistent with such position pursuant to the Company's Certificate of Incorporation and Amended and Restated Bylaws (as may be amended from time to time, the "Organizational Documents") and the laws of the State of Delaware; (ii) serve as a member of the Board of Directors of any of the Company's subsidiaries (each a "Subsidiary Board of Directors"), as may be requested from time to time by the Company's Board of Directors; and (iii) serve as a member of one or more committees of the Board of Directors or a Subsidiary Board of Directors as may be requested from time to time by the Company or a majority of the Board of Directors and for which Director is qualified to serve. Director agrees to devote as much time as is reasonably necessary to perform completely the duties as an independent Director of the Company. By execution of this Agreement, and upon the affirmative vote of a majority of the existing directors of the Company, Director accepts his appointment or election as independent Director of the Company, and agrees to serve in such capacity until the Expiration Date (as defined below) or until Director's earlier death, resignation or removal. The parties hereto acknowledge and agree that Director is being engaged to serve as an independent Director of the Company only and is not being engaged to serve, and shall not serve, the Company in any other capacity.

2. **TERM.** The term of this Agreement shall expire on the Expiration Date; provided, however, that Director may (a) resign or (b) solely with the prior approval of the Bankruptcy Court, be removed in accordance with the terms of the Organizational Documents, at any time, in which event this Agreement shall terminate as of the date of such resignation or removal, except as specifically provided herein. The "Expiration Date" shall mean the earlier to occur of (x) the effective date of a plan of reorganization for the Debtors pursuant to the Bankruptcy Code that has been filed and confirmed with the Bankruptcy Court and (y) the dismissal of the Chapter 11 Cases.

3. **COMPENSATION.** For all services to be rendered by Director hereunder, and so long as Director has not been removed as a Director of the Company, the Company agrees to pay, or to cause one or more of its subsidiaries to pay, Director a monthly fee of \$35,000 payable in arrears on the first day of the month following the month for which services were rendered; provided, however, that the first monthly fee payable hereunder shall be pro rated to reflect the remaining days of the month beginning on the date of this Agreement provided, further, however, and notwithstanding anything in this Agreement to the contrary, Director shall be entitled to receive a minimum of \$210,000 in aggregate fees (with any such amounts to be paid following the Expiration Date payable monthly in arrears as set forth herein) from the Company during the term of this Agreement.

4. **EXPENSES.** In addition to the compensation provided in Section 3 hereof, the Company will reimburse or will cause one or more of its subsidiaries to reimburse Director for reasonable business related expenses incurred in good faith in the performance of Director's duties for the Company. Such payments shall be made by the Company or one or more of its subsidiaries promptly following submission by Director of a signed statement itemizing the expenses incurred. Such statement shall be accompanied by sufficient documentary matter to support the expenditures.

5. **CONFIDENTIALITY.** The Company and Director each acknowledge that in order for Director to perform his duties as an independent Director of the Company, Director shall necessarily be obtaining access to confidential information concerning the Company and its affiliates, including, but not limited to business methods, information systems, financial data and strategic plans which are unique assets of the Company or its affiliates ("Confidential Information"). Director covenants that he shall not, either directly or indirectly, in any manner, utilize or disclose to any person, firm, corporation, association or other entity any Confidential Information, except (i) as required by law; provided that, Director will, to the extent not prohibited by law, provide the Company with a reasonable opportunity to review and comment on any such disclosure a reasonable time in advance of such disclosure being made, (ii) pursuant to a subpoena or order issued by a court, governmental body, agency or official; provided that, Director shall (A) to the extent not prohibited by law, provide the Company with prompt written notice of such request or requirement prior to making such disclosure, (B) exercise its reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information, (C) at the request and expense of the Company, cooperate with the Company in any effort to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information or to resist or narrow the scope of such request or requirement, and (D) furnish only that portion of the Confidential Information which the Director is advised by legal counsel is legally required, or (iii) to the extent such information (A) is generally known to the public, (B) was known to Director prior to its disclosure to Director by the Company, (C) was obtained by Director from a third party, other than any representatives of or advisors to the Company, which, to Director's knowledge, was not prohibited from disclosing such information to Director pursuant to any contractual, legal or fiduciary obligation, or (D) was independently derived by Director without any use of Confidential Information. This Section 5 shall continue in effect after Director has ceased acting as an independent Director of the Company.

6. INDEMNIFICATION.

(a) **Certain Definitions.** For purposes of this Section 6, the term:

"Delaware Law" means: the laws of the state of Delaware.

"Expenses" means all reasonable and documented expenses, liabilities and losses (including, without limitation, attorneys' fees, retainers, expert and witness fees, disbursements and expenses of counsel, judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement (provided that such settlement is approved in writing by the Company, which approval shall not be unreasonably withheld, conditioned or delayed)) actually and reasonably incurred or suffered by Director or on Director's behalf in connection with a Proceeding, but not including any consequential losses, indirect losses or lost profits.

"Proceeding" means any threatened in writing, pending, actual or completed action, suit, inquiry or proceeding, whether civil, criminal, administrative or investigative, whether public or private, and, including any such threatened in writing, pending, actual or completed action, suit, inquiry or proceeding by or in the right of the Company or any of its subsidiaries (collectively, the "Companies").

(b) **Indemnification.** In the event that Director was or is made a party or is threatened in writing to be made a party to or is involved (including, without limitation, as a witness) in any Proceeding by reason of the fact that Director or a person of whom Director is the legal representative of is or was an independent Director of any of the Companies (whether before or after the date hereof) and, the basis of such Proceeding is alleged action in an official capacity as an independent Director of any of the Companies, the Companies shall, jointly and severally, indemnify and hold harmless Director to the fullest extent authorized by Delaware Law or any other applicable law or rule, but no less than to the extent set forth herein, against all Expenses; provided, however, that the Companies shall indemnify Director only if Director did not engage in gross negligence or willful misconduct and, in the case of criminal Proceedings, Director had no reasonable cause to believe his conduct was unlawful; and provided, further, that the Companies shall, jointly and severally, indemnify Director in connection with a Proceeding (or claim or part thereof) initiated by Director only if (i) such Proceeding is a suit or other action seeking to enforce Director's right to advancement of expenses and/or indemnification under this Agreement or (ii) such Proceeding (or claim or part thereof) was authorized by the Board of Directors of the Company.

(c) **Presumptions.** In the event that, under Delaware Law, the entitlement of Director to be indemnified hereunder shall depend upon whether Director shall have acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company and with respect to criminal Proceedings, had no reasonable cause to believe Director's conduct was unlawful, or shall have acted in accordance with some other defined standard of conduct, or whether fees and disbursements of counsel and other costs and amounts are reasonable, the burden of proof of establishing that Director has not acted in accordance with such standard and that such costs and amounts are unreasonable shall rest with the Company, and Director shall be presumed to have acted in accordance with such standard, such costs and amounts shall be conclusively presumed to be reasonable and Director shall be entitled to indemnification unless, and only unless, it shall be determined by a court of competent jurisdiction (after exhaustion or expiration of the time for filing of all appeals) that Director has not met such standard or, with respect to the amount of indemnification, that such costs and amounts are not reasonable (in which case Director shall be indemnified to the extent such costs and amounts are determined by such court to be reasonable).

In addition, and without in any way limiting the provisions of this Section 6(c), Director shall be deemed to have acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding to have had no reasonable cause to believe Director's conduct was unlawful, if Director's action is based on (i) information supplied to Director by the officers of the Company in the course of their duties, (ii) the advice of legal counsel for the Company or (iii) information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company.

The provisions of this Section 6(c) shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct, if applicable, under Delaware Law.

(d) **Indemnification When Wholly or Partly Successful.** Without limiting the scope of indemnification provided in Section 6(b), to the extent that Director is a party to and is successful, on the merits or otherwise, in any Proceeding, Director shall be indemnified to the maximum extent permitted by Delaware Law against all Expenses. If Director is not wholly successful in a Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Companies shall, jointly and severally, indemnify Director against all Expenses actually and reasonably incurred by Director and on Director's behalf in connection with each successfully resolved claim, issue or matter, and shall otherwise indemnify Director to the extent required by Section 6(b). All Expenses shall be presumed to have been incurred with respect to successfully resolved claims, issues and matters unless, and only unless (with the burden of proof being on the Company), it shall be determined by a court of competent jurisdiction (after exhaustion or expiration of the time for filing of all appeals) that a portion of such Expenses were incurred with respect to unsuccessfully resolved claims, issues or matters. For purposes of this Section 6(d) and without limitation, the termination of any claim, issue or matter in any Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(e) **Suit to Recover Indemnification.** If a claim under Section 6(b) or Section 6(h) of this Agreement is not paid in full by the Company within thirty days after a written claim has been received by the Company, Director may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. It shall be a defense to any such suit (other than a suit brought to enforce a claim for expenses incurred in defending any Proceeding in advance of its final disposition where the required undertaking has been tendered to the Company) that Director has not met the standards of conduct, if applicable, which make it permissible under Delaware Law for the Company to indemnify Director for the amount claimed, but the burden of proving such defense and its applicability shall be on the Company. Neither the failure of the Company (including its directors or equity holders) to have made a determination prior to the commencement of such suit that indemnification of Director is proper in the circumstances because Director has met the standard of conduct, if applicable, under Delaware Law, nor an actual determination by the Company (including its directors or equity holders) that Director has not met such applicable standard of conduct, shall be a defense to the suit or create a presumption that Director has not met the applicable standard of conduct. The expenses incurred by Director in bringing such suit (whether or not Director is successful) shall be paid by the Company unless a court of competent jurisdiction determines that each of the material assertions made by Director in such suit was not made in good faith and was frivolous.

(f) **Rights Not Exclusive; Rights Continue.** The right to indemnification and the payment of expenses incurred in defending any Proceeding in advance of its final disposition conferred in this Agreement shall not be exclusive of, or limit in any manner whatsoever, any other right which Director may have or hereafter acquire under any statute, provision of the Organizational Documents, agreement, vote of equity holders or otherwise. The indemnification, expense advancement and other rights of Director herein shall continue after Director ceases to be an independent director for so long as Director may be subject to any possible claim for which he would be entitled to indemnification under this Agreement or otherwise as a matter of law, and shall not be amended, modified, terminated, revoked or otherwise altered without Director's prior written consent.

(g) **Insurance.** The Company or one of its subsidiaries (which, in the case of a subsidiary, shall include coverage of directors of the Company) shall maintain insurance to protect the Company and any manager, director or trustee of the Company against any expense, liability or loss, and such insurance shall cover Director to at least the same extent as any other director of the Company; provided that the Company shall maintain insurance in form and amounts substantially similar to the insurance maintained by the Company as of the date hereof. Director shall have the right to receive a copy of any policy for such insurance upon request.

(h) **Advancement of Defense Costs.** Notwithstanding anything in the Organizational Documents to the contrary, the Company shall also promptly pay Director the expenses actually and reasonably incurred in defending any Proceeding in advance of its final disposition without requiring any preliminary determination of the ultimate entitlement of Director to indemnification; provided, however, the payment of such expenses so incurred by Director in advance of the final disposition of any Proceeding shall be made only upon delivery to the Company of an unsecured undertaking in the form attached hereto as Exhibit A by or on behalf of Director, to repay (without interest) all amounts so advanced if it shall ultimately be determined that Director is not entitled to be indemnified under this Agreement.

(i) **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Director, who shall, at the Company's expense, execute all papers required and take all action necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(j) **No Duplication of Payments.** The Companies shall not be liable under this Agreement to make any payment in connection with any Proceeding against Director to the extent Director has otherwise actually received payment (under any insurance policy, contract, agreement, the Organizational Documents, or otherwise) of the amounts otherwise indemnifiable hereunder.

(k) **Contribution.** If the indemnification provided in Section 6(b) and the advancement provided in Section 6(h) should under Delaware Law be unenforceable or insufficient to hold Director harmless in respect of any and all Expenses with respect to any Proceeding, then the Company shall, subject to the provisions of this Section 6(k) and for purposes of this Section 6(k) only, upon written notice from Director, be treated as if it were a party who is or was threatened to be made a party to such Proceeding (if not already a party), and the Company shall contribute to Director the amount of Expenses incurred by Director in such proportion as is appropriate to reflect the relative benefits accruing to the Company and all of its directors, trustees, managers, officers, employees and agents (other than Director) treated as one entity on the one hand, and Director on the other, which arose out of the event(s) underlying such Proceeding, and the relative fault of the Company and all of its directors, trustees, managers, officers, employees and agents (other than Director) treated as one entity on the one hand, and Director on the other, in connection with such event(s), as well as any other relevant equitable considerations.

No provision of this Section 6(k) shall: (i) operate to create a right of contribution in favor of Director if it is judicially determined that, with respect to any Proceeding, Director engaged in willful misconduct or gross negligence or, in the case of criminal Proceedings, Director had reasonable cause to believe his conduct was unlawful, or (ii) limit Director's rights to indemnification and advancement of Expenses, whether under this Agreement or otherwise.

The Company hereby waives any right of contribution from Director for Expenses incurred by the Company with respect to any Proceeding in which the Companies are or are threatened to be made a party; provided, however, this waiver by the Company shall not be effective should a court of competent jurisdiction finally determine that Director engaged in willful misconduct or gross negligence which gave rise to such Expenses incurred by the Company. The Company shall not enter into any settlement of any Proceeding in which the Companies are jointly liable with Director (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Director and does not contain an admission of wrongdoing by Director.

7. **INFORMATION.** The Company shall provide Director with quarterly financial information and shall make its management available to discuss the business and operations of the Company upon Director's reasonable request.

8. **EFFECT OF WAIVER.** The waiver by either Party of the breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

9. **GOVERNING LAW.** This Agreement shall be interpreted in accordance with, and the rights of the Parties hereto shall be determined by, the laws of the state of Delaware without reference to its conflicts of laws principles.

10. **ASSIGNMENT.** The rights and benefits of the Company under this Agreement shall not be transferable except by operation of law without Director's consent, and all the covenants and agreements hereunder shall inure to the benefit of, and be enforceable by or against, its successors and assigns. The duties and obligations of Director under this Agreement are personal and therefore Director may not assign any right or duty under this Agreement without the prior written consent of the Company.

11. **BINDING EFFECT; SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of and be enforceable by each of the Parties hereto and their respective successors, assigns, heirs and personal legal representatives.

12. **SEVERABILITY; HEADINGS.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid as applied to any fact or circumstance, it shall be modified by the minimum amount necessary to render it valid, and any such invalidity shall not affect any other provision, or the same provision as applied to any other fact or circumstance. The headings used in this Agreement are for convenience only and shall not be construed to limit or define the scope of any Section or provision.

13. **COUNTERPARTS; AMENDMENT.** This Agreement may be executed in one or more counterparts, each of which shall be considered one and the same agreement. No amendment to this Agreement shall be effective unless in writing signed by each of the Parties hereto.

[Signature page follows]

The Parties hereto have caused this Independent Director Agreement to be executed on the date first above written.

GWG HOLDINGS, INC.

By: _____

Director

Name: Anthony R. Horton

EXHIBIT A

FORM OF UNDERTAKING

Undertaking to Repay.

The undersigned hereby acknowledges his unconditional undertaking to repay any amounts advanced to him or persons designated by him by GWG Holdings, Inc. or its subsidiaries under Section 6(h) of the Independent Director Agreement between him and GWG Holdings, Inc. (the "Agreement") in connection with **[insert description of proceeding]** (the "Proceeding"), if it is ultimately determined that he is not entitled to be indemnified with respect to the Proceeding under the Agreement.

Dated _____

Signature

Name (please print)

INDEPENDENT DIRECTOR AGREEMENT

THIS INDEPENDENT DIRECTOR AGREEMENT (the “Agreement”) is made as of June 14, 2022, by and between GWG Holdings, Inc. a Delaware corporation (the “Company”), and Jeffrey S. Stein (“Director”). The Company and Director are referred to herein each as a “Party” and collectively the “Parties.”

BACKGROUND

WHEREAS, on April 20, 2022, the Company and two of its subsidiaries, GWG Life, LLC and GWG Life USA, LLC (collectively the “Debtors”) filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) and commenced the jointly administered chapter 11 bankruptcy cases titled *In re GWG Holdings, Inc., et al.* Case No. 22-90032 (the “Chapter 11 Cases”).

WHEREAS, the Chapter 11 Cases are currently pending before the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”).

WHEREAS, in connection with the Chapter 11 Cases, the Company desires and has requested that Director serve as an independent Director of the Company.

WHEREAS, the Company and Director are entering into this Agreement to induce the Director to serve in the capacity set forth above and to set forth certain understandings between the parties.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and promises contained herein, and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the Company and Director hereby agree as follows:

1. **DUTIES.** Upon the affirmative vote of a majority of the existing directors of the Company, and subject to any approvals of the Bankruptcy Court, if necessary, Director agrees to (i) serve as an independent Director of the Company and to be available to perform the duties consistent with such position pursuant to the Company’s Certificate of Incorporation and Amended and Restated Bylaws (as may be amended from time to time, the “Organizational Documents”) and the laws of the State of Delaware; (ii) serve as a member of the Board of Directors of any of the Company’s subsidiaries (each a “Subsidiary Board of Directors”), as may be requested from time to time by the Company’s Board of Directors; and (iii) serve as a member of one or more committees of the Board of Directors or a Subsidiary Board of Directors as may be requested from time to time by the Company or a majority of the Board of Directors and for which Director is qualified to serve. Director agrees to devote as much time as is reasonably necessary to perform completely the duties as an independent Director of the Company. By execution of this Agreement, and upon the affirmative vote of a majority of the existing directors of the Company, Director accepts his appointment or election as independent Director of the Company, and agrees to serve in such capacity until the Expiration Date (as defined below) or until Director’s earlier death, resignation or removal.

2. **TERM.** The term of this Agreement shall expire on the Expiration Date; provided, however, that Director may (a) resign or (b) solely with the prior approval of the Bankruptcy Court, be removed in accordance with the terms of the Organizational Documents, at any time, in which event this Agreement shall terminate as of the date of such resignation or removal, except as specifically provided herein. The “Expiration Date” shall mean the earlier to occur of (x) the effective date of a plan of reorganization for the Debtors pursuant to the Bankruptcy Code that has been filed and confirmed with the Bankruptcy Court and (y) the dismissal of the Chapter 11 Cases.

3. **COMPENSATION.** For all services to be rendered by Director hereunder, and so long as Director has not been removed as a Director of the Company, the Company agrees to pay, or to cause one or more of its subsidiaries to pay, Director a monthly fee of \$35,000 payable in arrears on the first day of the month following the month for which services were rendered; provided, however, that the first monthly fee payable hereunder shall be pro rated to reflect the remaining days of the month beginning on the date of this Agreement provided, further, however, and notwithstanding anything in this Agreement to the contrary, Director shall be entitled to receive a minimum of \$210,000 in aggregate fees (with any such amounts to be paid following the Expiration Date payable monthly in arrears as set forth herein) from the Company during the term of this Agreement. In the event that Director, whether contemporaneously with the execution of this Agreement or otherwise, executes a separate agreement with the Company pursuant to which Director also shall be named Chief Restructuring Officer of the Company (any such agreement, the “CRO Consulting Agreement”), Director shall receive only the compensation set forth in the CRO Consulting Agreement, and shall not receive in addition any of the compensation set forth in the preceding sentence hereof, during the term of any such CRO Consulting Agreement. For the avoidance of doubt, in the event that Director, whether contemporaneously with the execution of this Agreement or otherwise, executes a separate CRO Consulting Agreement or is otherwise appointed as an executive of the Company, the terms of this Agreement, including Section 6, shall remain in full force during Director’s term as Chief Restructuring Officer or otherwise as an officer of the Company.

4. **EXPENSES.** In addition to the compensation provided in Section 3 hereof, the Company will reimburse or will cause one or more of its subsidiaries to reimburse Director for reasonable business related expenses incurred in good faith in the performance of Director’s duties for the Company. Such payments shall be made by the Company or one or more of its subsidiaries promptly following submission by Director of a signed statement itemizing the expenses incurred. Such statement shall be accompanied by sufficient documentary matter to support the expenditures.

5. **CONFIDENTIALITY.** The Company and Director each acknowledge that in order for Director to perform his duties as an independent Director of the Company, Director shall necessarily be obtaining access to confidential information concerning the Company and its affiliates, including, but not limited to business methods, information systems, financial data and strategic plans which are unique assets of the Company or its affiliates (“Confidential Information”). Director covenants that he shall not, either directly or indirectly, in any manner, utilize or disclose to any person, firm, corporation, association or other entity any Confidential Information, except (i) as required by law; provided that, Director will, to the extent not prohibited by law, provide the Company with a reasonable opportunity to review and comment on any such disclosure a reasonable time in advance of such disclosure being made, (ii) pursuant to a subpoena or order issued by a court, governmental body, agency or official; provided that, Director shall (A) to the extent not prohibited by law, provide the Company with prompt written notice of such request or requirement prior to making such disclosure, (B) exercise its reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such Confidential Information, (C) at the request and expense of the Company, cooperate with the Company in any effort to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information or to resist or narrow the scope of such request or requirement, and (D) furnish only that portion of the Confidential Information which the Director is advised by legal counsel is legally required, or (iii) to the extent such information (A) is generally known to the public, (B) was known to Director prior to its disclosure to Director by the Company, (C) was obtained by Director from a third party, other than any representatives of or advisors to the Company, which, to Director’s knowledge, was not prohibited from disclosing such information to Director pursuant to any contractual, legal or fiduciary obligation, or (D) was independently derived by Director without any use of Confidential Information. This Section 5 shall continue in effect after Director has ceased acting as an independent Director of the Company.

6. INDEMNIFICATION.

(a) **Certain Definitions.** For purposes of this Section 6, the term:

“**Delaware Law**” means: the laws of the state of Delaware.

“**Expenses**” means all reasonable and documented expenses, liabilities and losses (including, without limitation, attorneys’ fees, retainers, expert and witness fees, disbursements and expenses of counsel, judgments, fines, excise taxes or penalties and amounts paid or to be paid in settlement (provided that such settlement is approved in writing by the Company, which approval shall not be unreasonably withheld, conditioned or delayed)) actually and reasonably incurred or suffered by Director or on Director’s behalf in connection with a Proceeding, but not including any consequential losses, indirect losses or lost profits.

“**Proceeding**” means any threatened in writing, pending, actual or completed action, suit, inquiry or proceeding, whether civil, criminal, administrative or investigative, whether public or private, and, including any such threatened in writing, pending, actual or completed action, suit, inquiry or proceeding by or in the right of the Company or any of its subsidiaries (collectively, the “Companies”).

(b) **Indemnification.** In the event that Director was or is made a party or is threatened in writing to be made a party to or is involved (including, without limitation, as a witness) in any Proceeding by reason of the fact that Director or a person of whom Director is the legal representative of is or was an independent Director of any of the Companies (whether before or after the date hereof) and, the basis of such Proceeding is alleged action in an official capacity as an independent Director of any of the Companies, the Companies shall, jointly and severally, indemnify and hold harmless Director to the fullest extent authorized by Delaware Law or any other applicable law or rule, but no less than to the extent set forth herein, against all Expenses; provided, however, that the Companies shall indemnify Director only if Director did not engage in gross negligence or willful misconduct and, in the case of criminal Proceedings, Director had no reasonable cause to believe his conduct was unlawful; and provided, further, that the Companies shall, jointly and severally, indemnify Director in connection with a Proceeding (or claim or part thereof) initiated by Director only if (i) such Proceeding is a suit or other action seeking to enforce Director’s right to advancement of expenses and/or indemnification under this Agreement or (ii) such Proceeding (or claim or part thereof) was authorized by the Board of Directors of the Company.

(c) **Presumptions.** In the event that, under Delaware Law, the entitlement of Director to be indemnified hereunder shall depend upon whether Director shall have acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company and with respect to criminal Proceedings, had no reasonable cause to believe Director’s conduct was unlawful, or shall have acted in accordance with some other defined standard of conduct, or whether fees and disbursements of counsel and other costs and amounts are reasonable, the burden of proof of establishing that Director has not acted in accordance with such standard and that such costs and amounts are unreasonable shall rest with the Company, and Director shall be presumed to have acted in accordance with such standard, such costs and amounts shall be conclusively presumed to be reasonable and Director shall be entitled to indemnification unless, and only unless, it shall be determined by a court of competent jurisdiction (after exhaustion or expiration of the time for filing of all appeals) that Director has not met such standard or, with respect to the amount of indemnification, that such costs and amounts are not reasonable (in which case Director shall be indemnified to the extent such costs and amounts are determined by such court to be reasonable).

In addition, and without in any way limiting the provisions of this Section 6(c), Director shall be deemed to have acted in good faith and in a manner Director reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding to have had no reasonable cause to believe Director’s conduct was unlawful, if Director’s action is based on (i) information supplied to Director by the officers of the Company in the course of their duties, (ii) the advice of legal counsel for the Company or (iii) information or records given or reports made to the Company by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Company.

The provisions of this Section 6(c) shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct, if applicable, under Delaware Law.

(d) **Indemnification When Wholly or Partly Successful.** Without limiting the scope of indemnification provided in Section 6(b), to the extent that Director is a party to and is successful, on the merits or otherwise, in any Proceeding, Director shall be indemnified to the maximum extent permitted by Delaware Law against all Expenses. If Director is not wholly successful in a Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Companies shall, jointly and severally, indemnify Director against all Expenses actually and reasonably incurred by Director and on Director's behalf in connection with each successfully resolved claim, issue or matter, and shall otherwise indemnify Director to the extent required by Section 6(b). All Expenses shall be presumed to have been incurred with respect to successfully resolved claims, issues and matters unless, and only unless (with the burden of proof being on the Company), it shall be determined by a court of competent jurisdiction (after exhaustion or expiration of the time for filing of all appeals) that a portion of such Expenses were incurred with respect to unsuccessfully resolved claims, issues or matters. For purposes of this Section 6(d) and without limitation, the termination of any claim, issue or matter in any Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

(e) **Suit to Recover Indemnification.** If a claim under Section 6(b) or Section 6(h) of this Agreement is not paid in full by the Company within thirty days after a written claim has been received by the Company, Director may at any time thereafter bring suit against the Company to recover the unpaid amount of the claim. It shall be a defense to any such suit (other than a suit brought to enforce a claim for expenses incurred in defending any Proceeding in advance of its final disposition where the required undertaking has been tendered to the Company) that Director has not met the standards of conduct, if applicable, which make it permissible under Delaware Law for the Company to indemnify Director for the amount claimed, but the burden of proving such defense and its applicability shall be on the Company. Neither the failure of the Company (including its directors or equity holders) to have made a determination prior to the commencement of such suit that indemnification of Director is proper in the circumstances because Director has met the standard of conduct, if applicable, under Delaware Law, nor an actual determination by the Company (including its directors or equity holders) that Director has not met such applicable standard of conduct, shall be a defense to the suit or create a presumption that Director has not met the applicable standard of conduct. The expenses incurred by Director in bringing such suit (whether or not Director is successful) shall be paid by the Company unless a court of competent jurisdiction determines that each of the material assertions made by Director in such suit was not made in good faith and was frivolous.

(f) **Rights Not Exclusive; Rights Continue.** The right to indemnification and the payment of expenses incurred in defending any Proceeding in advance of its final disposition conferred in this Agreement shall not be exclusive of, or limit in any manner whatsoever, any other right which Director may have or hereafter acquire under any statute, provision of the Organizational Documents, agreement, vote of equity holders or otherwise. The indemnification, expense advancement and other rights of Director herein shall continue after Director ceases to be an independent director for so long as Director may be subject to any possible claim for which he would be entitled to indemnification under this Agreement or otherwise as a matter of law, and shall not be amended, modified, terminated, revoked or otherwise altered without Director's prior written consent.

(g) **Insurance.** The Company or one of its subsidiaries (which, in the case of a subsidiary, shall include coverage of directors of the Company) shall maintain insurance to protect the Company and any manager, director or trustee of the Company against any expense, liability or loss, and such insurance shall cover Director to at least the same extent as any other director of the Company; provided that the Company shall maintain insurance in form and amounts substantially similar to the insurance maintained by the Company as of the date hereof. Director shall have the right to receive a copy of any policy for such insurance upon request.

(h) **Advancement of Defense Costs.** Notwithstanding anything in the Organizational Documents to the contrary, the Company shall also promptly pay Director the expenses actually and reasonably incurred in defending any Proceeding in advance of its final disposition without requiring any preliminary determination of the ultimate entitlement of Director to indemnification; provided, however, the payment of such expenses so incurred by Director in advance of the final disposition of any Proceeding shall be made only upon delivery to the Company of an unsecured undertaking in the form attached hereto as Exhibit A by or on behalf of Director, to repay (without interest) all amounts so advanced if it shall ultimately be determined that Director is not entitled to be indemnified under this Agreement.

(i) **Subrogation.** In the event of payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Director, who shall, at the Company's expense, execute all papers required and take all action necessary to secure such rights, including the execution of such documents necessary to enable the Company effectively to bring suit to enforce such rights.

(j) **No Duplication of Payments.** The Companies shall not be liable under this Agreement to make any payment in connection with any Proceeding against Director to the extent Director has otherwise actually received payment (under any insurance policy, contract, agreement, the Organizational Documents, or otherwise) of the amounts otherwise indemnifiable hereunder.

(k) **Contribution.** If the indemnification provided in Section 6(b) and the advancement provided in Section 6(h) should under Delaware Law be unenforceable or insufficient to hold Director harmless in respect of any and all Expenses with respect to any Proceeding, then the Company shall, subject to the provisions of this Section 6(k) and for purposes of this Section 6(k) only, upon written notice from Director, be treated as if it were a party who is or was threatened to be made a party to such Proceeding (if not already a party), and the Company shall contribute to Director the amount of Expenses incurred by Director in such proportion as is appropriate to reflect the relative benefits accruing to the Company and all of its directors, trustees, managers, officers, employees and agents (other than Director) treated as one entity on the one hand, and Director on the other, which arose out of the event(s) underlying such Proceeding, and the relative fault of the Company and all of its directors, trustees, managers, officers, employees and agents (other than Director) treated as one entity on the one hand, and Director on the other, in connection with such event(s), as well as any other relevant equitable considerations.

No provision of this Section 6(k) shall: (i) operate to create a right of contribution in favor of Director if it is judicially determined that, with respect to any Proceeding, Director engaged in willful misconduct or gross negligence or, in the case of criminal Proceedings, Director had reasonable cause to believe his conduct was unlawful, or (ii) limit Director's rights to indemnification and advancement of Expenses, whether under this Agreement or otherwise.

The Company hereby waives any right of contribution from Director for Expenses incurred by the Company with respect to any Proceeding in which the Companies are or are threatened to be made a party; provided, however, this waiver by the Company shall not be effective should a court of competent jurisdiction finally determine that Director engaged in willful misconduct or gross negligence which gave rise to such Expenses incurred by the Company. The Company shall not enter into any settlement of any Proceeding in which the Companies are jointly liable with Director (or would be if joined in such Proceeding) unless such settlement provides for a full and final release of all claims asserted against Director and does not contain an admission of wrongdoing by Director.

7. **INFORMATION.** The Company shall provide Director with quarterly financial information and shall make its management available to discuss the business and operations of the Company upon Director's reasonable request.

8. **EFFECT OF WAIVER.** The waiver by either Party of the breach of any provision of this Agreement shall not operate as or be construed as a waiver of any subsequent breach thereof.

9. **GOVERNING LAW.** This Agreement shall be interpreted in accordance with, and the rights of the Parties hereto shall be determined by, the laws of the state of Delaware without reference to its conflicts of laws principles.

10. **ASSIGNMENT.** The rights and benefits of the Company under this Agreement shall not be transferable except by operation of law without Director's consent, and all the covenants and agreements hereunder shall inure to the benefit of, and be enforceable by or against, its successors and assigns. The duties and obligations of Director under this Agreement are personal and therefore Director may not assign any right or duty under this Agreement without the prior written consent of the Company.

11. **BINDING EFFECT; SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon and inure to the benefit of and be enforceable by each of the Parties hereto and their respective successors, assigns, heirs and personal legal representatives.

12. **SEVERABILITY; HEADINGS.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid as applied to any fact or circumstance, it shall be modified by the minimum amount necessary to render it valid, and any such invalidity shall not affect any other provision, or the same provision as applied to any other fact or circumstance. The headings used in this Agreement are for convenience only and shall not be construed to limit or define the scope of any Section or provision.

13. **COUNTERPARTS; AMENDMENT.** This Agreement may be executed in one or more counterparts, each of which shall be considered one and the same agreement. No amendment to this Agreement shall be effective unless in writing signed by each of the Parties hereto.

[Signature page follows]

The Parties hereto have caused this Independent Director Agreement to be executed on the date first above written.

GWG HOLDINGS, INC.

By: _____

Director

Name: Jeffrey S. Stein

EXHIBIT A

FORM OF UNDERTAKING

Undertaking to Repay.

The undersigned hereby acknowledges his unconditional undertaking to repay any amounts advanced to him or persons designated by him by GWG Holdings, Inc. or its subsidiaries under Section 6(h) of the Independent Director Agreement between him and GWG Holdings, Inc. (the "Agreement") in connection with **[insert description of proceeding]** (the "Proceeding"), if it is ultimately determined that he is not entitled to be indemnified with respect to the Proceeding under the Agreement.

Dated _____

Signature

Name (please print)

CONSULTING AGREEMENT

This Consulting Agreement (this “**Agreement**”) is made and entered into as of June 1, 2022, by and between **GWG HOLDINGS, INC.**, (the “**Company**”), and **JEFFREY S. STEIN** (the “**Executive**”).

In consideration of the respective agreements and covenants set forth in this Agreement, the receipt of which is hereby acknowledged, the parties hereby agree to be legally bound as follows:

AGREEMENTS

1. **Term.** The Company agrees to engage the Executive, effective June 1, 2022 (the “**Effective Date**”), and the Executive agrees to be engaged by the Company, upon the terms and conditions set forth in this Agreement, until either party gives at least thirty (30) days’ written notice to the other party of its intent to terminate this Agreement, subject to earlier termination in accordance with Section 3 (with the duration of the Executive’s service hereunder, the “**Term**”).

2. Terms of Consulting Arrangement.

(a) **Location.** The Executive’s primary work location will be New Canaan, CT, though the Executive will be required to travel to other locations as reasonably required for the effective performance of his services hereunder.

(b) Position and Duties.

(1) During the Term, and subject to the direction of the Company’s Board of Directors (the “**Board**”) or the Company’s Chief Executive Officer, the Executive shall serve as the Chief Restructuring Officer of the Company and certain of its subsidiaries and, in so doing, shall have the duties and responsibilities reasonably assigned to the Executive from time to time by the Company’s Chief Executive Officer or the Board, including, without limitation, some or all of the following:

A. review the financial and operational details of the Company in order to familiarize himself with the relevant aspects of the Company necessary or advisable so as to be able to assist in the formulation of a restructuring plan;

B. assist in formulating and developing with the Board the Company’s refinancing/restructuring options that are intended to be value accretive to the Company and maximize the value of the Company’s assets/business for the benefit of the Company’s stakeholders;

C. assess options to optimize the Company’s capital structure;

D. manage and implement the restructuring plan(s) of the Company and its subsidiaries;

E. explore, assess, and recommend asset acquisition(s), disposition(s), merger(s) or other strategic transaction(s);

F. upon consultation with and approval of the Board or of the applicable committee of the Board, as the case may be, communicate and/or negotiate with outside constituents, including, but not limited to, the Official Bondholders Committee and lenders to the Company's subsidiaries;

G. review and analyze the revised business plan(s), including financial and operating budgets, provided by Company management and the Company's advisors;

H. assess employee compensation matters, including the development and implementation of any key employee incentive or retention program(s);

I. review the Company's business reporting systems and recommend changes, if appropriate, to improve effectiveness;

J. be available to testify as to the foregoing and related matters in any proceedings in the Chapter 11 cases of the Company and certain of its subsidiaries before the Bankruptcy Court (as such term is defined herein); and

K. provide such other similar services as may be requested by the Company's Chief Executive Officer or the Board and agreed to by Executive.

Notwithstanding anything to the contrary contained herein, the parties expect and acknowledge that the Executive will devote sufficient time in addressing the consensual or non-consensual restructuring of the Company and will attempt in good faith to perform the other services specified herein in accordance with instructions from the Company's Chief Executive Officer or the Board. While serving as Chief Restructuring Officer hereunder, the Executive will report directly to the Chief Executive Officer of the Company or the Board, with the ultimate direction and authority in all instances being with the Board. For avoidance of doubt, (i) the Executive also will be able to engage directly with any committee of the Board regarding any matter, including as to any of his responsibilities as Chief Restructuring Officer, and, to the extent that any such committee has been delegated authority over a matter by the Board, to take direction from, and report to, such committee relating to any such matter and (ii) the Executive shall be entitled to directly approach the Board or the applicable committee of the Board, as the case may be, with any matter he considers relevant to the exercise of his duties and responsibilities.

(2) Upon the termination of the Term, the Executive's term as Chief Restructuring Officer will cease and the Executive agrees to execute any documents reasonably requested by the Company to effect a resignation from such position.

(3) During the Term, the Executive agrees to devote sufficient working time to the business and affairs of the Company and when so doing shall use his reasonable best efforts to faithfully, effectively, and efficiently perform his duties. Nothing herein shall prohibit the Executive from engaging in other for-profit activities during the Term, so long as such activities do not materially interfere or conflict with the Executive's performance of his duties hereunder or create a business or fiduciary conflict.

(c) Compensation.

(1) *Consulting Fee.* During the Term, the Executive shall receive a monthly consulting fee of \$100,000 ("**Consulting Fee**"), which shall be pro-rated for partial months paid in advance on the first day of each month commencing during the Term, provided, however, that Executive shall be entitled to receive a minimum of \$600,000 in aggregate Consulting Fees from the Company pursuant to this Agreement (the "**Minimum Aggregate Consulting Fee**"). The Company, in its sole discretion, may at any time increase (but not decrease) the amount of the Consulting Fee as it may deem appropriate. The term "**Consulting Fee**," as used in this Agreement, shall refer to the Consulting Fee as it may be so increased in accordance with this Agreement. For avoidance of doubt, so long as the Executive is also serving as a director during the Term, the Consulting Fee shall encompass any compensation or stipend otherwise payable to the Executive as a director, and accordingly, the Executive shall receive no additional amounts for any such service as a director during the Term.

(2) *Reorganization Success Bonus.* Subject to the completion of any Success Event (as defined on Exhibit A), the Company will pay the Executive a reorganization success bonus (the "**Success Bonus**") equal to \$1,250,000, which shall be considered earned upon a Success Event and payable upon the consummation of a Success Event.

(3) *Expenses and Lodging.* The Executive is authorized to incur reasonable business expenses that, in his reasonable business judgment, are necessary or appropriate to carry out his duties for the Company under this Agreement, including Executive's reasonable expenses associated with traveling. The Executive shall be entitled to reimbursement for such expenses upon submission of receipts in accordance with the Company's standard procedures and policies.

(4) *No Benefits.* The Executive will not be eligible to participate in any health, welfare, retirement, or other benefit plans or policies offered by the Company to its employees, provided, however, that, as a condition to Executive's engagement, the Company shall (1) maintain insurance to protect the Company and any manager, director, trustee and officer of the Company (including Executive) against any expense, liability or loss, and such insurance shall cover Executive to at least the same extent as any other senior officer of the Company (and the Company shall maintain insurance in form and amounts substantially similar to the insurance maintained by the Company as of the date hereof); (2) provide Executive with a copy of any policy for such insurance upon request of the Executive, (3) indemnify Executive on the same terms as provided to the Debtors' other officers and directors under the Debtors' governance documents; and (4) obtain, at the appropriate time and on the same terms and conditions as provided to the Debtors' other officers and directors, a "tail" insurance policy maintained by the Company for liabilities of the Company's current or former directors, managers, and officers, which such "tail" policy shall be on commercially reasonable terms and conditions and otherwise comparable to "tail" policies obtained by companies similar in size and complexity to the Company and its subsidiaries. The Executive shall have the right to receive a copy of any policy for such insurance upon request.

(5) *Independent Contractor Status*. The Executive will receive an IRS Form 1099-MISC from the Company, and the Executive shall be solely responsible for all income taxes due with respect to all compensation paid under this Section 2. The Company will not withhold or pay any income, payroll, social security, or other federal, state, or local taxes, make any insurance contributions, including for unemployment or disability, or obtain workers' compensation insurance on the Executive's behalf. The Executive shall be responsible for, and shall indemnify the Company against, all such taxes or contributions, including penalties and interest.

3. Termination of Service.

(a) Death. The Executive's service hereunder shall terminate automatically upon the Executive's death during the Term.

(b) Cause. The Company may terminate the Executive's service as Chief Restructuring Officer for Cause at any time during the Term and without advance written notice. For purposes of this Agreement, "**Cause**" shall be limited to the Executive's (i) refusal to perform his material job duties as Chief Restructuring Officer (other than as a result of physical or mental incapacity) that continues after written notice from the Company, (ii) commission of an intentional and material act of fraud, embezzlement, misappropriation, willful misconduct or breach of fiduciary duty against the Company as reasonably determined by the Board, (iii) conviction or plea of no contest or *nolo contendere* to any felony or any crime that involves fraud, dishonesty, or moral turpitude or that causes material harm, financial or otherwise, to the Company, or (iv) willful and material violation of any federal, state, or local law or regulation applicable to the Company or its business which demonstrably and materially adversely affects the Company that is not cured after written notice from the Company. For purposes of the previous sentence, no act or failure to act on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith and without reasonable belief that the Executive's action or omission was in the best interest of the Company.

(c) Notice of Termination. Any termination of the Executive as Chief Restructuring Officer, whether by the Company for Cause or without Cause or by the Executive for any or no reason, shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 7(d). For purposes of this Agreement, a "**Notice of Termination**" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's service under the provision so indicated, and (iii) if the Date of Termination (as defined below) is other than the date of receipt of such notice, specifies the termination date.

(d) Date of Termination. "**Date of Termination**" means (i) if the Executive's service is terminated by the Company for Cause, the Executive's date of receipt of the Notice of Termination, (ii) if the Executive's service is terminated by the Company without Cause, or by the Executive for any or no reason, the thirtieth (30th) day following the date of the Notice of Termination or any later date specified therein pursuant to Section 3(c), or (iii) if the Executive's service is terminated by reason of death, the date of the Executive's death.

4. Obligations of the Company upon Termination.

(a) **Payments upon Termination.** Upon a termination of the Executive's service hereunder, the Company shall have no further payment obligations to the Executive or his legal representatives, other than for (i) the payment in a lump sum in cash within thirty (30) days after the Date of Termination (or such earlier date as required by applicable law) of that portion of the Executive's Consulting Fee accrued through the Date of Termination to the extent not previously paid (including, for the avoidance of doubt, any remaining amounts of the Minimum Aggregate Consulting Fee due to Executive provided the termination by the Company is for a reason other than Cause), and any expense reimbursement accrued and unpaid, and (ii) provided the termination is by the Company for a reason other than Cause and occurs within fifteen (15) months before a Success Event, payment of the Success Bonus to the extent it becomes payable in accordance with the terms of this Agreement. For the sake of clarity, notwithstanding anything to the contrary contained herein, the Executive will remain eligible to receive the Success Bonus if the Executive is terminated by the Company for a reason other than for Cause at any time within fifteen (15) months before a Success Event. The Executive will forfeit his right to the Success Bonus upon any other termination before a Success Event.

(b) **Section 409A.** The intent of the parties is that payments and benefits contemplated under this Agreement that are subject to Internal Revenue Code Section 409A and the regulations and guidance promulgated thereunder comply with the requirements thereof, and accordingly, to the maximum extent permitted, this Agreement will be interpreted to be in compliance therewith.

5. Confidential Information.

(a) The Executive acknowledges that the Company has trade, business and financial secrets and other confidential and proprietary information (collectively, the "**Confidential Information**") which has been and shall be provided to the Executive during the Executive's service with the Company. Confidential information includes, but is not limited to, sales materials, technical information, strategic information, business plans, processes and compilations of information, records, specifications and information concerning customers or vendors, customer lists, regulatory matters and strategies, and information regarding methods of doing business.

(b) The Executive is aware that the Company has implemented policies to keep its Confidential Information secret, including those policies limiting the disclosure of information on a need-to-know basis, requiring the labeling of documents as "confidential," and requiring the keeping of information in secure areas. The Executive acknowledges that the Confidential Information has been developed or acquired by the Company through the expenditure of substantial time, effort and money and provides the Company with an advantage over competitors who do not know or use such Confidential Information. The Executive acknowledges that all such Confidential Information is the sole and exclusive property of the Company.

(c) During, and all times following, the Executive's service with the Company, the Executive shall hold in confidence and not directly or indirectly disclose or use or copy or make lists of any Confidential Information, except (i) to the extent determined appropriate by the Executive in his reasonable discretion to discharge his duties to the Company; (ii) where such information is, at the time of disclosure by the Executive, generally available to the public other than as a result of any direct or indirect act or omission of the Executive in breach of this Agreement; or (iii) where the Executive is compelled by legal process. The Executive agrees to use reasonable efforts to give the Company prompt written notice of any and all attempts to compel disclosure of any Confidential Information. Such written notice shall include either (y) the subpoena(s) or order(s) (or other similar documents) compelling such disclosure, or (z) a reasonable description of the information to be disclosed, the court, government agency, or other forum through which the disclosure is sought, and the date by which the information is to be disclosed, and a copy of the subpoena, order or other process used to compel disclosure. The Executive shall cooperate with the Company, as the Company's sole cost and expense, to limit the disclosures of Confidential Information compelled by legal process to the extent possible.

(d) The Executive will take such precautions as deemed reasonable by the Executive to prevent disclosure of Confidential Information in his possession or control to any unauthorized individual or entity. The Executive further agrees not to use, whether directly or indirectly, any Confidential Information for the benefit of any person, business, corporation, partnership, or any other entity other than the Company.

(e) As used in this Section 5, "**Company**" shall include the Company, its subsidiaries, other entities in which the Company has a significant ownership interest, and any of the respective affiliates.

6. **Mutual Non-Disparagement.** During the Term and for three (3) years thereafter, the Executive agrees not to intentionally make, or intentionally cause any other Person to make, any public statement that is intended to criticize or disparage the Company, any of its affiliates, or any of their respective officers, managers or directors. During the Term and for three (3) years thereafter, the Company shall not, and agrees to use commercially reasonable efforts to cause its officers and members of its Board not to, intentionally make, or intentionally cause any other person to make, any public statement that is intended to criticize or disparage the Executive. This Section 6 shall not be construed to prohibit any person from responding publicly to incorrect public statements, from making truthful statements when required by law, subpoena, court order, or the like, or from making internal (i.e., non-public) statements while discharging duties to the Company. Notwithstanding anything to the contrary contained herein, no provision of this Agreement shall be interpreted so as to impede the Executive (or any other individual, including any other Company executive or Board member) from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the United States Congress, and any agency inspector general, or making other disclosures under the whistleblower provisions of federal law or regulation.

7. **Miscellaneous.**

(a) **Survival and Construction.** The Executive's obligations under this Agreement will be binding upon the Executive's heirs, executors, assigns, and administrators and will inure to the benefit of the Company and its subsidiaries, successors, and assigns. The language of this Agreement shall in all cases be construed as a whole according to its fair meaning and not strictly for or against any of the parties. The section and paragraph headings used in this Agreement are intended solely for the convenience of reference and shall not in any manner amplify, limit, modify, or otherwise be used in the interpretation of any of the provisions hereof.

(b) **Definitions.** As used in this Agreement, "**affiliate**" means, with respect to a person, any other person controlling, controlled by or under common control with the first person; the term "**control**", and correlative terms, means the power, whether by contract, equity ownership or otherwise, to direct the policies or management of a person; and "**person**" means an individual, partnership, corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

(c) **Other Matters.** The Company will use commercially reasonable efforts to obtain entry of an order of the U.S. bankruptcy court with jurisdiction over the Company's Chapter 11 case (the "**Bankruptcy Court**") authorizing the Executive to serve as the Chief Restructuring Officer of the Company during the pendency of any such bankruptcy case on terms and conditions no less favorable than those set forth in this Agreement. The Executive acknowledges and agrees that the payment of any compensation pursuant to **Section 2(c)** is subject to and conditioned upon Bankruptcy Court approval of the Company's engagement of the Executive.

(d) **Notices.** All notices and other communications hereunder shall be in writing and shall be given by hand delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive:

Jeffrey S. Stein Managing Partner
Stein & Holly Advisors Inc.
42 River Wind Road
New Canaan, CT 06840

If to the Company:

GWG Holdings, Inc.
325 N. St. Paul Street, Suite 2650
Dallas, Texas 7520
Attention: Timothy Evans
Phone: (267) 258-2856
Email: tevans@gwgh.com

With a copy to (but not for notice purposes):

Mayer Brown LLP
71 South Wacker Drive Chicago,
Illinois 60606
Attention: Thomas S. Kiriakos and Louis S. Chiappetta
Phone: (312) 701-7275; (312) 701-8385
Fax: (312) 706-8232; (312) 706-8353
Email: tkiriakos@mayerbrown.com
lchiappetta@mayerbrown.com

Mayer Brown LLP
1221 Avenue of the Americas
New York, New York 10020
Attention: Adam Paul and Lucy F. Kweskin
Phone: (212) 506-2500
Email: apaul@mayerbrown.com
lkweskin@mayerbrown.com

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(e) Enforcement. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a portion of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.

(f) Section 409A Compliance. This Agreement is intended to comply with (or be exempt from) Code Section 409A, and the provisions of this Agreement shall be construed accordingly. To the extent that any in-kind benefits or reimbursements pursuant to this Agreement are taxable to the Executive and constitute deferred compensation subject to Section 409A of the Code, any reimbursement payment due to the Executive shall be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. In addition, any such in-kind benefit or reimbursement is not subject to liquidation or exchange for another benefit and the amount of such benefit or reimbursement that the Executive receives in one taxable year shall not affect the amount of such benefit and reimbursements that the Executive receives in any other taxable year. The Executive agrees to promptly submit and document any reimbursable expenses in accordance with the Company's reasonable expense reimbursement policies to facilitate the timely reimbursement of such expenses.

(g) No Waiver. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by the other party shall be deemed a waiver of similar or dissimilar provisions or conditions at any time.

(h) Complete Agreement. The provisions of this Agreement constitute the entire and complete understanding and agreement between the parties with respect to the subject matter hereof, and this Agreement supersedes all prior and contemporaneous oral and written agreements, representations and understandings of the parties, which are hereby terminated. Other than expressly set forth herein, the Executive and the Company acknowledge and represent that there are no other promises, terms, conditions or representations (oral or written) regarding any matter relevant hereto. This Agreement may be executed in two or more counterparts.

(i) Jurisdiction over Claims. The Company and the Executive agree to adjudicate any and all claims, demands, causes of action, disputes, controversies or other matters in question ("claims"), whether or not arising out of this Agreement or the Executive's service (or its termination), whether sounding in contract, tort or otherwise and whether provided by statute or common law, that the Company may have against the Executive or that the Executive may have against the Company or its parents, subsidiaries and affiliates, and each of the foregoing entities' respective officers, directors, employees or agents in their capacity as such or otherwise, in a proceeding before the Bankruptcy Court, and the Executive expressly consents to the exclusive jurisdiction of the Bankruptcy Court for any such claims. **THE EXECUTIVE ACKNOWLEDGES THAT, BY SIGNING THIS AGREEMENT, THE EXECUTIVE IS WAIVING ANY RIGHT THAT THE EXECUTIVE MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY CLAIM.**

(j) Survival. Sections 5 and 6 of this Agreement and the provisions of this Agreement relating to the Success Bonus shall survive the termination of this Agreement.

(k) Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws of New York or any other jurisdiction, and, where applicable, the laws of the United States.

(l) Amendment. This Agreement may not be amended or modified at any time except by a written instrument executed by the Company and the Executive.

(m) Assignment. This Agreement is personal as to the Executive, and accordingly, the Executive's duties may not be assigned by the Executive. This Agreement shall be assigned by the Company to any entity which is a successor in interest to all or substantially all of the Company's business.

(n) Clawback. Notwithstanding any other provisions in this Agreement to the contrary, any incentive-based compensation, or any other compensation, paid to the Executive pursuant to this Agreement or any other agreement or arrangement with the Company or its affiliates which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company or its affiliates to the extent necessary to implement such law, government regulation, or stock exchange listing requirement).

(o) Executive Acknowledgment. The Executive acknowledges that he has read and understands this Agreement, is fully aware of its legal effect, has not acted in reliance upon any representatives or promises made by the Company other than those contained in writing herein, and has entered into this Agreement freely based on his own judgment.

[Signature Page Follows]

IN WITNESS WHEREOF, the Executive has hereunto set the Executive's hand and, pursuant to the authorization from the Board, the Company has caused this Agreement to be executed in its name on its behalf, all as of the day and year first above written.

EXECUTIVE:

JEFFREY S. STEIN

GWG HOLDINGS, INC.,

a Delaware corporation

By: _____

Name: _____

Title: _____

Signature Page to Consulting Agreement

EXHIBIT A

The term "Success Event" will mean the confirmation of a Chapter 11 plan of reorganization pursuant to section 1129 of the Bankruptcy Code, or a sale pursuant to Section 363 of the Bankruptcy Code, that involves substantially all of the assets of the Company and its subsidiaries and restructures or otherwise resolves all or substantially all of the indebtedness of the Company and its subsidiaries or otherwise restructures or changes the ownership of the Company.
