

# Summary of Terms

## OF THE LIQUIDITY BOND

This summary highlights some of the terms of the debt securities (the “Liquidity Bonds”) of GWG Life, LLC, a Delaware limited liability company (“GWG Life”) and wholly owned subsidiary of GWG Holdings, Inc., a Delaware corporation (“GWG Holdings”), that The Beneficient Company Group, L.P., a Delaware limited partnership (“Ben”), is offering as part of one or more private transactions in which holders of alternative assets contribute their alternative assets to an ExAlt Plan Custody Trust™ that is part of Ben’s ExAlt Plan™ in exchange for Liquidity Bonds. The Liquidity Bonds will consist of two new series of exchangeable debt securities issued under GWG Holdings’ existing Indenture for its L Bond program. Subject to Qualifications. These Materials and any other documents or information provided by Ben do not constitute an offer to sell or purchase any securities of Ben or any of its affiliates. Offers to sell or purchase any security can only be made through definitive offering materials and agreements with the applicable investor.

**This summary is not complete and does not contain all of the information that you should consider before making an investment decision. To understand this offering fully, you should carefully read the entire Confidential Private Placement Memorandum, together with all documents incorporated by reference therein (the “Offering Memorandum”), and your Term Sheet (as defined below). Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Offering Memorandum.**

<b>Issuer</b>	GWG Life, LLC.
<b>Guarantor</b>	GWG Holdings, Inc., the parent company of Ben.
<b>Offering Period</b>	The Offering will be on a continuous basis from the date of the Offering Memorandum to December 31, 2020; provided that GWG Holdings may determine to extend the term of the Offering in its sole discretion.
<b>Liquidity Bonds</b>	The securities that are part of the Offering consist of two new series of exchangeable L Bonds issued by GWG Life consisting of Series A Liquidity Bonds and Series B Liquidity Bonds.  We expect that an exchange of alternative assets for Series A Liquidity Bonds will be treated as a non-taxable exchange for U.S. federal and state income tax purposes. By contrast, we expect that an exchange of alternative assets for Series B Liquidity Bonds will result in a taxable exchange for U.S. federal and state income tax purposes.
<b>Amount</b>	Up to 1,000,000 units of Liquidity Bonds, with each whole unit representing \$1,000 in principal amount of Liquidity Bonds; provided that GWG Holdings may determine to issue additional units of Liquidity Bonds in its sole discretion.
<b>Interest</b>	The interest rate of the Liquidity Bonds will be up to 6% per annum, payable in cash, and will be specified in a term sheet provided to you in connection with a potential investment in the Liquidity Bonds (the “Term Sheet”).
<b>Series A Liquidity Bond Participation Payment</b>	Holders of Series A Liquidity Bonds will be entitled to receive an annual, cash participation payment of up to 1.5% of the principal amount of their Series A Liquidity Bond subject to GWG Life having net taxable income in a given fiscal year, prorated for the portion of such fiscal year that the holder owned the Series A Liquidity Bonds, unless otherwise specified in your Term Sheet. To the extent that the net taxable income of GWG Life is insufficient to provide holders of Series A Liquidity Bonds with the full participation payment for any fiscal year, such shortfall will carry forward and be payable from net taxable income earned by GWG Life in subsequent years.

<b>Payment Method</b>	Cash principal payments, interest payments and, for Series A Liquidity Bonds, any participation payments will be made by direct deposit to the account you designate in your Term Sheet.
<b>Maturity</b>	The Liquidity Bonds will have a four-year maturity, unless otherwise specified in your Term Sheet.
<b>Renewal</b>	<p>The Liquidity Bonds will not renew at maturity.</p> <p>The Liquidity Bonds are payable in cash at maturity; provided that the Liquidity Bonds may be paid at maturity (in GWG Life's sole discretion) in GWG Common Stock (at the Exchange Price, as defined below) or Subsidiary Common Securities if they are publicly traded on a national U.S. securities exchange (at the Subsidiary Common Security Exchange Price, as defined below), or a combination of cash and GWG Common Stock or Subsidiary Common Securities.</p>
<b>Exchange</b>	Six months after the issuance date of an Liquidity Bond, the holder may elect to exchange the Liquidity Bond, at the beginning of each month and upon 30 days' prior written notice to the Company, for that number of shares of GWG Common Stock as determined by dividing the entire outstanding principal balance and accrued but unpaid interest of the Liquidity Bond by the Exchange Price or, at the Company's election, Subsidiary Common Securities if they are publicly traded on a national U.S. securities exchange by dividing the entire outstanding principal balance and accrued but unpaid interest of the Liquidity Bond by the Subsidiary Common Securities Exchange Price.
<b>Exchange Price</b>	The "Exchange Price" will be specified in your Term Sheet and will be set at a premium to the closing price of the GWG Common Stock on the Nasdaq Stock Market on the last trading day prior to the full execution of your Term Sheet.
<b>Subsidiary Common Securities Exchange Price</b>	The "Subsidiary Common Securities Exchange Price" will be based on the Exchange Price multiplied by the exchange ratio of GWG Common Stock to the Subsidiary Common Securities issued in connection with any transaction in which GWG Common Stock is converted into, or exchanged for, Subsidiary Common Securities, or if there is no conversion or exchange, the Subsidiary Common Securities Exchange Price will be determined by the GWG board of directors in good faith taking into account differences in capital structure and related matters between GWG and the issuer of such Subsidiary Common Securities.
<b>Call and Redemption Prior to Maturity</b>	GWG Life may call and redeem the entire outstanding principal balance and accrued but unpaid interest of any or all of the Liquidity Bonds for cash at any time without penalty or premium. Liquidity Bond holders will have no right to require the Issuer to redeem any Liquidity Bond prior to maturity.
<b>Indenture</b>	The Liquidity Bonds will be issued pursuant to that certain Amended and Restated Indenture, dated as of October 23, 2017, and a supplemental indenture thereto, the form of which will be attached as an exhibit to your Term Sheet (as amended, the "Indenture"). As of March 31, 2020, GWG Holdings has issued approximately \$1.7 billion in principal amount of registered L Bonds, including renewals, for cash, and an additional approximately \$370 million of L Bonds in transactions involving an exchange for alternative assets (which are referred to as the Seller Trust L Bonds).

<p><b>Ranking</b></p>	<p>The Liquidity Bonds will constitute secured debt of GWG Life. The payment of principal and interest on the Liquidity Bonds and participation payments on the Series A Liquidity Bonds will be:</p> <ul style="list-style-type: none"> <li>• pari passu with respect to payment on and collateral securing all L Bonds, of which approximately \$1,402.7 million in principal amount was outstanding as of March 31, 2020;</li> <li>• structurally junior to the present and future obligations owed by our subsidiary GWG DLP IV, LLC (“DLP IV”) under a second amended and restated senior credit facility with LNV Corporation, of which approximately \$198.7 million in principal amount was outstanding as of March 31, 2020, and structurally or contractually junior to any future obligations that DLP IV or other primary obligors or guarantors may have under future senior secured borrowing facilities; and</li> <li>• structurally junior to the present and future claims of other creditors of our subsidiaries other than GWG Life, including Ben’s senior credit agreement and second lien credit agreement with HCLP Nominees, L.L.C., of which approximately \$152.2 million in principal amount was outstanding as of March 31, 2020, and trade creditors.</li> </ul>
<p><b>Collateral</b></p>	<p>The Liquidity Bonds will be secured by all of the assets of GWG Holdings and GWG Life.</p>
<p><b>Covenants</b></p>	<p>The Indenture governing the Liquidity Bonds places restrictive covenants and affirmative obligations on GWG Holdings. For example, GWG Holding’s debt coverage ratio may not exceed 90%.</p>
<p><b>Deferral of Payments and Limitation on Filing of Involuntary Proceedings</b></p>	<p>Notwithstanding any other provision of the Liquidity Bonds, in the event GWG Holdings’ board of directors were to adopt and implement a plan of liquidation and dissolution, all interest and principal payments under the Liquidity Bonds and any participation payments under the Series A Liquidity Bonds thereafter will become due and payable on the earlier of (a) the filing of the certificate of dissolution with the Secretary of State of the State of Delaware, and (b) a notice that GWG Holdings has abandoned its plan of liquidation and dissolution (the “Deferral Period”); provided, that, so long as GWG Holdings has not provided notice that it has abandoned its plan of liquidation and dissolution, GWG Holdings will use commercially reasonable efforts to complete the liquidation and file the certificate of dissolution by the eighteen (18) month anniversary of the initial effective date of the plan of liquidation and dissolution. Interest will continue to accrue on the Liquidity Bonds during the Deferral Period.</p> <p>The deferral of interest and principal payments and any participation payments under the Series A Liquidity Bonds during the Deferral Period would not constitute an “event of default” and therefore would not result in an acceleration of principal or interest payments on the Liquidity Bonds under the Indenture.</p> <p>In addition, the Indenture will not permit the holders of the Liquidity Bonds or the Trustee on their behalf to institute against GWG Holdings or GWG Life, or join in any institution against GWG Holdings or GWG Life of, any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, or other proceedings, under any United States federal or state bankruptcy or similar law in connection with any obligations relating to the Liquidity Bonds or the Indenture.</p> <p>The holders of the registered, publicly offered L Bonds and the Seller Trust L Bonds are not subject to a similar limitation. As a result, holders of Liquidity Bonds may be structurally subordinated to holders of registered, publicly offered L Bonds and the Seller Trust L Bonds because those holders would continue to be owed principal and interest payments during the Deferral Period and therefore may have a prior claim on the collateral securing the L Bonds.</p>

<p><b>Private Placement</b></p>	<p>The Securities are being offered solely to “accredited investors” as such term is defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended. The Securities will not be registered under the Securities Act or any state securities or blue sky laws and will be subject to restrictions on transfer as described under “Transfer Restrictions” in the Offering Memorandum. Unless otherwise expressly agreed with an investor, GWG Holdings does not intend to, and will not be obligated to, apply to register the Securities under the Securities Act or any state securities laws or, in the case of the Liquidity Bonds, list them on a national securities exchange.</p>
<p><b>Risk Factors</b></p>	<p>An investment in the Liquidity Bonds involves a high degree of risk. Before acquiring the Liquidity Bonds, you should carefully consider the risks, uncertainties and additional information (i) set forth in GWG Holdings’ most recent Annual Report on Form 10-K filed with the SEC and subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all which are incorporated by reference into the Offering Memorandum, and (ii) contained in the Offering Memorandum. The information incorporated by reference into the Offering Memorandum specifically includes the risk factors contained in GWG Holdings’ Annual Report on Form 10-K filed with the SEC on March 27, 2020.</p>



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