

HRG GROUP, INC.
Form S-4
April 10, 2018
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As filed with the Securities and Exchange Commission on April 10, 2018

Registration No. 333-[]

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

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

HRG GROUP, INC.
(to be renamed SPECTRUM BRANDS HOLDINGS, INC.
upon consummation of the transaction described herein)
(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

3690
(Primary Standard Industrial
Classification Code Number)
450 Park Avenue, 29th Floor

74-1339132
(I.R.S. Employer
Identification Number)

New York, New York 10022

(212) 906-8555

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Ehsan Zargar

Executive Vice President, Chief Operating Officer and General Counsel

HRG Group, Inc.

450 Park Avenue, 29th Floor

New York, New York 10022

(212) 906-8555

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

John H. Butler, Esq.

Nathan E. Fagre, Esq.

Sarkis Jebejian, Esq.

John Meade, Esq.

Senior Vice President, General

Joshua Korff, Esq.

Davis Polk & Wardwell LLP

Counsel and Secretary

Jonathan Davis, Esq.

450 Lexington Avenue

Spectrum Brands Holdings, Inc.

Kirkland & Ellis LLP

New York, New York 10017

3001 Deming Way

601 Lexington Avenue

(212) 450-4083

Middleton, Wisconsin 53562

New York, New York 10022

(608) 275-3340

(212) 446-4800

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after the effective date of this registration statement.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the Securities Act), check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, smaller reporting company and emerging growth company in Rule 12b-2 of the Securities Exchange Act of 1934 (the Exchange Act).

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company
		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 7(a)(2)(B) of the Securities Act

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title Of Each Class Of Securities To Be Registered	Amount To Be Registered ⁽¹⁾	Proposed	Proposed	Amount Of Registration Fee ⁽³⁾
		Maximum	Maximum	
		Offering Price	Aggregate	
		Per Unit	Offering Price ⁽²⁾	
Common Stock, par value \$0.01	21,211,947	N/A	\$2,085,876,808.25	\$259,691.66

- (1) Represents the maximum number of shares of common stock, par value \$0.01 per share, of the registrant estimated to be issuable upon completion of the merger as described in the joint proxy statement/prospectus contained herein.
- (2) Estimated solely for the purpose of calculating the registration fee required by Section 6(b) of the Securities Act and calculated pursuant to Rules 457(f)(1) and 457(c) of the Securities Act. The proposed maximum aggregate offering price of the registrant's common stock was calculated based on the market value of shares of Spectrum Common Stock (the securities to be cancelled in the Merger) as follows: the product of (a) \$98.335, the average of the high and low prices per share of Spectrum Common Stock as reported on the New York Stock Exchange on April 4, 2018, and (b) 21,211,947, the maximum number of shares of the registrant's common stock estimated to be issuable upon completion of the merger.
- (3) Computed in accordance with Rule 457(f) under the Securities Act and SEC Fee Advisory #1 for Fiscal Year 2018 at a rate equal to \$124.50 per \$1,000,000 of the proposed maximum aggregate offering price.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

PRELIMINARY SUBJECT TO COMPLETION DATED APRIL 10, 2018

MERGER PROPOSAL YOUR VOTE IS VERY IMPORTANT

[], 2018

Dear Stockholders of Spectrum Brands Holdings, Inc. and HRG Group, Inc.:

On February 24, 2018, HRG Group, Inc. (HRG) and Spectrum Brands Holdings, Inc. (Spectrum) entered into an Agreement and Plan of Merger (the Merger Agreement), providing for the acquisition of Spectrum by HRG (the Merger) in exchange for HRG equity. HRG stockholders as of the close of business on [], 2018 (the Record Date), are invited to attend a special meeting of HRG stockholders on [], 2018 at Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, to consider and vote upon proposals to amend the HRG certificate of incorporation, approve the issuance of HRG common stock in connection with the Merger, and certain other matters related to the Merger. Spectrum stockholders as of the close of business on the Record Date are invited to attend a special meeting of Spectrum stockholders at [], local time, on [], 2018, at Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, 10022, to consider and vote upon a proposal to adopt the Merger Agreement and certain other matters related to the Merger.

The Merger will be implemented through several steps that will occur in immediate succession. Immediately prior to the consummation of the Merger, HRG 's certificate of incorporation will be amended and restated (the Amended HRG Charter) as further described in the accompanying joint proxy statement/prospectus, and as a result, each of the issued and outstanding shares of HRG common stock, par value \$0.01 per share, will, by means of a reverse stock split, be combined into a fraction of a share of HRG common stock equal to (i) the number of shares of common stock, par value \$0.01 per share, of Spectrum held by HRG and its subsidiaries as of immediately prior to the effective time of the Merger, adjusted for HRG 's net indebtedness as of closing, certain transaction expenses of HRG that are unpaid as of closing and a \$200,000,000 upward adjustment, divided by (ii) as of immediately prior to the reverse stock split, the number of outstanding shares of HRG common stock on a fully diluted basis (the Share Combination Ratio). As part of the amendment and restatement of the HRG certificate of incorporation, HRG will change its name to Spectrum Brands Holdings, Inc.

Thereafter, pursuant to the Merger Agreement, each share of Spectrum common stock issued and outstanding immediately prior to the effective time of the Merger (other than shares of Spectrum common stock held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum immediately prior to the effective time of the Merger) will be converted into the right to receive one share of HRG

common stock.

Notwithstanding the foregoing, no HRG common stock will be issued in the Merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become, or be treated under the Amended HRG Charter as becoming, a holder of more than 4.9% of Corporation Securities (as defined in Article XIII of the Amended HRG Charter). Any shares of HRG common stock that would be issuable to a Spectrum stockholder but for that limitation will instead be treated as Excess Securities (as defined in Article XIII of the Amended HRG Charter) and will be delivered to one or more charitable organizations described in Section 501(c)(3) of the Internal Revenue Code, or escheated to the state of residence, incorporation or formation (as applicable) of the relevant Spectrum stockholder.

In the Reverse Stock Split, each HRG stockholder is expected to receive 0.1623 of a share of HRG common stock in respect of each share of HRG common stock, which would have a value of approximately \$16.14. Immediately upon consummation of the Merger, pre-closing Spectrum stockholders and pre-closing HRG stockholders are expected to own approximately 39% and 61%, respectively, of the outstanding shares of HRG common stock, and a total of approximately 54,174,580 shares of HRG common stock are expected to be outstanding. Such ownership percentages and share amounts and value are based on (i) the 20-trading-day volume-weighted average price per share of Spectrum common stock ending on April 4, 2018, the latest practicable date before the filing of the accompanying joint proxy statement/prospectus, (ii) the number of shares of Spectrum common stock outstanding, the number of Shares of Spectrum common stock held by HRG and its subsidiaries and the number of shares of HRG common stock outstanding as of April 4, 2018, the latest practicable date before the filing of the accompanying joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment. Shares of Spectrum common stock currently trade on the New York Stock Exchange (the NYSE) under the symbol SPB and shares of HRG common stock currently trade on the NYSE under the symbol HRG. Following the Merger, the shares of HRG common stock will be listed on the NYSE and are expected to trade under the symbol SPB.

At the Spectrum special meeting, Spectrum stockholders will be asked to consider and vote on, among other things, a proposal to adopt the Merger Agreement (the Spectrum Merger Proposal), which must be adopted by the affirmative vote of (i) the holders of a majority of the outstanding shares of Spectrum common stock, including shares held by HRG and its affiliates and the executive officers of Spectrum, (ii) the holders of a

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majority of the outstanding shares of Spectrum common stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and the executive officers of Spectrum, and (iii) the holders of a majority of the outstanding shares of Spectrum common stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would be deemed to be a person by Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the certificate of incorporation of Spectrum. **The Spectrum board of directors (other than Messrs. Joseph Steinberg and Ehsan Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of a special committee of the Spectrum board formed for the purpose of evaluating the Merger, has determined that the Merger Agreement, the Spectrum Merger Proposal and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its stockholders and, recommends that the Spectrum stockholders vote FOR the Spectrum Merger Proposal and FOR each of the other proposals to be considered at the Spectrum special meeting and described in the accompanying joint proxy statement/prospectus.** HRG has entered into a voting agreement with Spectrum pursuant to which HRG has agreed, among other things, to vote all of the shares of Spectrum common stock beneficially owned by HRG (constituting approximately 62% of the issued and outstanding shares of Spectrum common stock as of April 4, 2018, the latest practicable date before the filing of the accompanying joint proxy statement/prospectus) in favor of the Spectrum Merger Proposal and certain other matters, on the terms and subject to the conditions set forth in the voting agreement.

At the HRG special meeting, HRG stockholders will be asked to consider and vote on, among other things, the issuance of shares of HRG common stock to the Spectrum stockholders in connection with the Merger (the

HRG Share Issuance Proposal) and the amendment and restatement of the HRG certificate of incorporation (the HRG Charter Amendment Proposals). **The HRG board of directors recommends that HRG stockholders vote FOR the HRG Share Issuance Proposal, FOR the HRG Charter Amendment Proposals and FOR each of the other proposals to be considered at the HRG special meeting and described in the accompanying joint proxy statement/prospectus.** Each of Leucadia National Corporation and CF Turul LLC, an affiliate of Fortress Investment Group, LLC, has entered into a separate voting agreement with HRG pursuant to which each of them has agreed, among other things, to vote all of the shares of HRG common stock beneficially owned by it (constituting approximately 23% and 16%, respectively, of the issued and outstanding shares of HRG common stock as of April 4, 2018, the latest practicable date before the filing of the accompanying joint proxy statement/prospectus) in favor of the HRG Share Issuance Proposal and the HRG Charter Amendment Proposals and certain other matters, on the terms and subject to the conditions set forth in the applicable voting agreement.

Consummation of the Merger is conditioned on the approval of the Spectrum Merger Proposal, the HRG Share Issuance Proposal and the HRG Charter Amendment Proposals. **Your vote is very important. Whether or not you plan to attend the Spectrum special meeting or the HRG special meeting, as applicable, please promptly complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.** Submitting a proxy now will not prevent you from being able to vote in person at the Spectrum special meeting or the HRG special meeting, as applicable.

The obligations of Spectrum and HRG to consummate the Merger are subject to the satisfaction or waiver of several conditions set forth in the Merger Agreement, a copy of which is included as Annex A to the accompanying joint proxy statement/prospectus. The Merger Agreement may be terminated by either HRG or Spectrum if the Merger is not consummated by October 8, 2018. The accompanying joint proxy statement/prospectus provides you with detailed information about the Merger. It also contains or references information about Spectrum and HRG and certain related matters.

You are encouraged to read the accompanying document carefully. In particular, you should read the *Risk Factors* section beginning on page 46 of the accompanying joint proxy statement/prospectus for a discussion of the risks you should consider in evaluating the Merger and how they will affect you.

On behalf of Spectrum and HRG, thank you for your consideration and continued support.

David M. Maura

Executive Chairman

Spectrum Brands Holdings, Inc.

Ehsan Zargar

Executive Vice President,

Chief Operating Officer and General Counsel

HRG Group, Inc.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger or the securities to be issued in connection with the Merger or passed upon the merits or fairness of the Merger or the adequacy or accuracy of the disclosure in the accompanying joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The accompanying joint proxy statement/prospectus is dated [], 2018 and is first being mailed to the Spectrum and HRG stockholders on or about [], 2018.

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SPECTRUM BRANDS HOLDINGS, INC.

3001 Deming Way

Middleton, Wisconsin 53562

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2018

To the Stockholders of Spectrum Brands Holdings, Inc.:

A special meeting of stockholders of Spectrum Brands Holdings, Inc. (Spectrum) will be held at [], local time, on [], 2018, at Kirkland and Ellis LLP, 601 Lexington Avenue, New York, New York 10022 (the Spectrum Special Meeting), for the following purposes:

1. to consider and act upon a proposal to adopt the Agreement and Plan of Merger, dated as of February 24, 2018 (the Merger Agreement), by and among Spectrum, HRG Group, Inc. (HRG), HRG SPV Sub I, Inc. and HRG SPV Sub II, LLC, a copy of which is attached as Annex A to the accompanying joint proxy statement/prospectus, and the Merger and other transactions contemplated thereby (the Spectrum Merger Proposal);
2. to consider and act upon a proposal to approve the adjournment of the Spectrum Special Meeting to another date and place if necessary or appropriate to solicit additional votes in favor of the Spectrum Merger Proposal (the Spectrum Adjournment Proposal); and
3. to consider and act upon six separate proposals to approve, on a non-binding, advisory basis, the amendment of the HRG certificate of incorporation, including (i) a proposal to cause each outstanding share of HRG common stock to, by means of a reverse stock split, be combined into a fraction of a share of HRG common stock equal to the number of shares of Spectrum currently held by HRG divided by the number of outstanding shares of HRG common stock on a fully diluted basis, subject to certain adjustments; (ii) a proposal to subject HRG to Section 203 of the General Corporation Law of the State of Delaware; (iii) a proposal to decrease the number of authorized shares of HRG common stock from 500 million to 200 million; (iv) a proposal to increase the number of authorized shares of HRG preferred stock from 10 million to 100 million; (v) a proposal to amend the Internal Revenue Code Section 382 transfer provisions; and (vi) a proposal to make other amendments related or incidental to the foregoing (collectively, the Spectrum Advisory HRG Charter Amendment Proposals).

Approval of the Spectrum Merger Proposal by the Spectrum stockholders is a condition to the consummation of the Merger contemplated by the Merger Agreement and requires the affirmative vote of (i) the holders of a majority of the outstanding shares of Spectrum common stock, (ii) the holders of a majority of the outstanding shares of Spectrum common stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and the executive officers of Spectrum, and (iii) the holders of a majority of the outstanding shares of Spectrum common stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would

be deemed to be a person by Section 13(d)(3) of the Exchange Act with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the Spectrum certificate of incorporation, and is a condition to the closing of the Merger (items (ii) and (iii), collectively, the Unaffiliated Approvals). Approval of the Spectrum Adjournment Proposal requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum common stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, regardless of whether a quorum is present. Approval of each of the non-binding Spectrum Advisory HRG Charter Amendment Proposals requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum common stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, assuming a quorum is present.

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The Spectrum board of directors has set [], 2018 as the record date for the Spectrum Special Meeting. Only holders of record of Spectrum common stock as of the close of business on [], 2018 will be entitled to notice of and to vote at the Spectrum Special Meeting and any adjournments thereof. Any stockholder entitled to attend and vote at the Spectrum Special Meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of Spectrum common stock.

HRG, which held approximately 62% of the issued and outstanding shares of Spectrum common stock as of April 4, 2018, has agreed to vote all of its shares of Spectrum common stock to approve and adopt the Merger Agreement, the Merger and the other transactions contemplated thereby, and other actions related thereto. HRG's shares of Spectrum common stock will not be counted for purposes of the Unaffiliated Approvals, so your vote is very important.

Each of the Spectrum Proposals is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety before you vote.

Your vote is very important. To ensure your representation at the Spectrum Special Meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please submit your proxy promptly whether or not you expect to attend the Spectrum Special Meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Spectrum Special Meeting. If your shares of Spectrum common stock are held in the name of a bank, broker or other nominee, follow the instructions on the voting instruction card furnished to you by such bank, broker or other nominee.

The Spectrum board of directors (other than Messrs. Joseph Steinberg and Ehsan Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum special committee, has determined that the Merger Agreement, the Merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its stockholders and has authorized, approved, adopted and declared advisable the Merger Agreement, the Merger and the other transactions contemplated thereby. The Spectrum board of directors (other than Messrs. Joseph Steinberg and Ehsan Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum special committee, recommends that you vote FOR the Spectrum Merger Proposal, FOR each of the Spectrum Advisory HRG Charter Amendment Proposals and FOR the Spectrum Adjournment Proposal.

By Order of the Board of Directors,

Nathan E. Fagre

Senior Vice President, General Counsel and Secretary

Middleton, Wisconsin

[], 2018

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YOUR VOTE IS IMPORTANT!

WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECTRUM SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED SPECTRUM PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE SPECTRUM SPECIAL MEETING AND WISH TO VOTE YOUR SHARES OF SPECTRUM COMMON STOCK IN PERSON, YOU MAY DO SO AT ANY TIME PRIOR TO YOUR PROXY BEING EXERCISED. You may revoke your proxy or change your vote at any time before the Spectrum Special Meeting. If your shares of Spectrum common stock are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes and exhibits carefully and in their entirety. If you have any questions concerning the Merger Agreement, the Merger, the Spectrum Proposals, the Spectrum Special Meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of Spectrum common stock, please contact:

1407 Broadway, 27th Floor

New York, New York 10018

proxy@mackenziepartners.com

(212) 929-5500 or Toll-Free (800) 322-2885

Spectrum Brands Holdings, Inc.

3001 Deming Way

Middleton, Wisconsin 53562

Attention: Investor Relations

Telephone: 608-278-6141

Email: david.prichard@spectrumbrands.com

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HRG GROUP, INC.

450 Park Avenue, 29th Floor

New York, New York 10022

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON [], 2018

AT []

To the Stockholders of HRG Group, Inc.:

A special meeting of stockholders of HRG Group, Inc. (HRG) will be held at [], local time, on [], 2018, at Davis Polk & Wardwell LLP located at 450 Lexington Avenue, New York, New York 10017 (the HRG Special Meeting), for the following purposes:

1. to consider and act upon six proposals to amend the HRG certificate of incorporation, including (i) a proposal to cause each outstanding share of HRG common stock to, by means of a reverse stock split, be combined into a fraction of a share of HRG common stock equal to the number of shares of Spectrum currently held by HRG divided by the number of outstanding shares of HRG common stock on a fully diluted basis, subject to certain adjustments; (ii) a proposal to subject HRG to Section 203 of the General Corporation Law of the State of Delaware; (iii) a proposal to decrease the number of authorized shares of HRG common stock from 500 million to 200 million; (iv) a proposal to increase the number of authorized shares of HRG preferred stock from 10 million to 100 million; (v) a proposal to amend the Internal Revenue Code Section 382 transfer provisions; and (vi) a proposal to make other amendments related or incidental to the foregoing (collectively, the HRG Charter Amendment Proposals);
2. to consider and act upon a proposal to approve the issuance of shares of HRG common stock in connection with the Agreement and Plan of Merger, dated as of February 24, 2018 (the Merger Agreement), by and among Spectrum Brands Holdings, Inc., HRG, HRG SPV Sub I, Inc. and HRG SPV Sub II, LLC, a copy of which is attached as Annex A to the accompanying joint proxy statement/prospectus (the HRG Share Issuance Proposal);
3. to consider and act upon a proposal to adjourn the HRG Special Meeting, if necessary or appropriate to, solicit additional proxies in the event there are not sufficient votes at the time of the HRG Special Meeting to approve the HRG Charter Amendment Proposals or the HRG Share Issuance Proposal (the HRG Adjournment Proposal); and
4. to consider and act upon a proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to HRG s named executive officers that is based on or otherwise relates to

the merger contemplated by the Merger Agreement (the HRG Advisory Compensation Proposal). Approval of each of the HRG Charter Amendment Proposals by the HRG stockholders is a condition to the consummation of the transactions contemplated by the Merger Agreement and requires the affirmative vote of the holders of a majority of outstanding shares of HRG common stock entitled to vote generally in the election of directors. Approval of the HRG Share Issuance Proposal by the HRG stockholders is a condition to the consummation of the transactions contemplated by the Merger Agreement and requires the affirmative vote of a majority of votes cast by HRG stockholders present in person or by proxy at the HRG Special Meeting and entitled to vote on the proposal. Approval of each of the HRG Adjournment Proposal and the HRG Advisory Compensation Proposal require the affirmative vote of holders of a majority of shares of HRG common stock present in person or by proxy at the HRG Special Meeting and entitled to vote on such proposal.

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The HRG board of directors has set [], 2018 as the record date for the HRG Special Meeting. Only holders of record of HRG common stock as of the close of business on [], 2018 will be entitled to notice of and to vote at the HRG Special Meeting and any adjournments thereof. Any stockholder entitled to attend and vote at the HRG Special Meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of HRG common stock.

Each of Leucadia National Corporation and CF Turul LLC, an affiliate of Fortress Investment Group LLC, which held approximately 23% and 16%, respectively, of the issued and outstanding shares of HRG common stock as of April 4, 2018, the latest practicable date before the filing of the accompanying joint proxy statement/prospectus, has agreed to vote all of its shares of HRG common stock to approve and adopt the HRG Charter Amendment Proposals and the HRG Share Issuance Proposal and other actions related thereto, on the terms and subject to the conditions set forth in their respective voting agreements.

Each of the HRG proposals is described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety before you vote.

Your vote is very important. To ensure your representation at the HRG Special Meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please submit your proxy promptly whether or not you expect to attend the HRG Special Meeting. Submitting a proxy now will not prevent you from being able to vote in person at the HRG Special Meeting. If your shares of HRG common stock are held in the name of a bank, broker or other nominee, follow the instructions on the voting instruction card furnished to you by such bank, broker or other nominee.

The HRG board of directors unanimously recommends that you vote FOR each of the HRG Charter Amendment Proposals, FOR the HRG Share Issuance Proposal, FOR the HRG Adjournment Proposal, and FOR the HRG Advisory Compensation Proposal.

By Order of the Board of Directors,

Ehsan Zargar

Executive Vice President, Chief Operating Officer

and General Counsel

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YOUR VOTE IS IMPORTANT!

WHETHER OR NOT YOU EXPECT TO ATTEND THE HRG SPECIAL MEETING IN PERSON, WE URGE YOU TO SUBMIT YOUR PROXY AS PROMPTLY AS POSSIBLE (1) VIA THE INTERNET, (2) BY TELEPHONE OR (3) BY MARKING, SIGNING AND DATING THE ENCLOSED HRG PROXY CARD AND RETURNING IT IN THE POSTAGE-PAID ENVELOPE PROVIDED. IF YOU ATTEND THE HRG SPECIAL MEETING AND WISH TO VOTE YOUR SHARES OF HRG COMMON STOCK IN PERSON, YOU MAY DO SO AT ANY TIME PRIOR TO YOUR PROXY BEING EXERCISED. You may revoke your proxy or change your vote at any time before the HRG Special Meeting. If your shares of HRG common stock are held in the name of a bank, broker or other nominee holder of record, please follow the instructions on the voting instruction form furnished to you by such record holder.

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its annexes and exhibits carefully and in their entirety. If you have any questions concerning the Merger Agreement, the transactions contemplated thereby, the HRG Proposals, the HRG Special Meeting or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of HRG common stock, please contact:

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

Shareholders, Banks and Brokers

Telephone: (781) 575-2137 or Toll-Free (888) 680-1529

Email: HRGGroup@Georgeson.com

or

HRG Group, Inc.

450 Park Avenue, 29th Floor

New York, New York 10022

Attention: Investor Relations

Telephone: (212) 906-8560

Email: Investorrelations@HRGGroup.com

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ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Spectrum and HRG from other documents that are filed with the SEC that are not included in or delivered with the accompanying joint proxy statement/prospectus. You can obtain any of the documents incorporated by reference into this joint proxy statement/prospectus from the SEC's website at www.sec.gov, and they are available for you to review at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. This information is also available to you without charge upon your request by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Spectrum Brands Holdings, Inc.

3001 Deming Way

Middleton, Wisconsin 53562

Attention: Investor Relations

Telephone: 608-278-6141

Email: david.prichard@spectrumbrands.com

HRG Group, Inc.

450 Park Avenue, 29th Floor

New York, New York 10022

Attention: Investor Relations

Telephone: (212) 906-8560

Email: Investorrelations@HRGGroup.com

or

or

1407 Broadway, 27th Floor

New York, New York 10018

Telephone: (212) 929-5500 or

Toll-Free (800) 322-2885

Email: proxy@mackenziepartners.com

1290 Avenue of the Americas, 9th Floor

New York, New York 10104

Shareholders, Banks and Brokers

Telephone: (781) 575-2137 or

Toll-Free (888) 680-1529

Email: HRGGroup@Georgeson.com

Investors may also consult the websites of Spectrum or HRG for more information concerning the Agreement and Plan of Merger, dated as of February 24, 2018, by and among Spectrum and HRG and the other transactions described in the accompanying joint proxy statement/prospectus. The website of Spectrum is www.spectrumbrands.com and the website of HRG is www.hrggroup.com. Information included on these websites is not incorporated by reference into the accompanying joint proxy statement/prospectus.

If you would like to request any documents, please do so by [], 2018, in order to receive them before the special meetings.

For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information*.

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This document, which forms part of a registration statement on Form S-4 filed with the SEC by HRG Group, Inc. (HRG) (File No. 333-[]), constitutes a prospectus of HRG under Section 5 of the Securities Act of 1933, as amended (the Securities Act), with respect to the shares of common stock of HRG, par value \$0.01 per share (HRG Common Stock), to be issued to Spectrum stockholders pursuant to the Agreement and Plan of Merger, dated as of February 24, 2018 (the Merger Agreement), by and among Spectrum Brands Holdings, Inc. (Spectrum), HRG, HRG SPV Sub I, Inc. and HRG SPV Sub II, LLC. This document also constitutes a proxy statement of each of HRG and Spectrum under Section 14(a) of the Securities Exchange Act of 1934, as amended (the Exchange Act).

Unless otherwise specified or the context otherwise requires, HRG has supplied all information contained or incorporated by reference herein relating to HRG, and Spectrum has supplied all information contained or incorporated by reference herein relating to Spectrum. HRG and Spectrum have both contributed to the information relating to the Merger Agreement and the transactions contemplated thereby contained in this joint proxy statement/prospectus.

You should rely only on the information contained in or incorporated by reference herein in connection with any vote, the giving or withholding of any proxy or any investment decision in connection with the transactions contemplated by the Merger Agreement. HRG and Spectrum have not authorized anyone to provide you with information that is different from that contained in or incorporated by reference herein. This joint proxy statement/prospectus is dated [], 2018, and you should not assume that the information contained in this joint proxy statement/prospectus is accurate as of any date other than such date unless otherwise specifically provided herein. Further, you should not assume that the information incorporated by reference herein is accurate as of any date other than the date of the incorporated document. Neither the mailing of this joint proxy statement/prospectus to HRG or Spectrum stockholders nor the issuance by HRG of shares of HRG Common Stock pursuant to the Merger Agreement will create any implication to the contrary.

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*The following are brief answers to certain questions that you may have regarding the Merger Agreement, the Merger, the amendment and restatement of the HRG Charter, the Spectrum Special Meeting, the HRG Special Meeting and the consideration to be received in the Merger. You are urged to read carefully this entire joint proxy statement/prospectus because the information in this section may not provide all of the information that might be important to you in determining how to vote. Additional important information is also contained in the annexes and exhibits to, and the documents incorporated by reference into, this joint proxy statement/prospectus. See *Where You Can Find More Information*.*

Q: What is the proposed transaction?

A: On February 24, 2018, HRG, HRG SPV Sub I, Inc. (Merger Sub 1), a direct wholly owned subsidiary of HRG, HRG SPV Sub II, LLC (Merger Sub 2, and together with Merger Sub 1, Merger Sub), and Spectrum entered into the Merger Agreement. The merger provided for in the Merger Agreement, will be implemented through several steps that will occur in immediate succession. Immediately prior to the consummation of the First Merger (as defined herein), HRG's certificate of incorporation (the HRG Charter) will be amended and restated (the Amended HRG Charter). As a result of this amendment and restatement, each of the issued and outstanding shares of HRG common stock, par value \$0.01 per share (HRG Common Stock), will, by means of a reverse stock split (the Reverse Stock Split), be combined into a fraction of a share of HRG Common Stock equal to (i) the number of shares of common stock, par value \$0.01 per share, of Spectrum (Spectrum Common Stock) held by HRG and its subsidiaries as of immediately prior to the effective time of the First Merger (the Effective Time), adjusted for HRG's net indebtedness as of closing, certain transaction expenses of HRG that are unpaid as of closing and a \$200,000,000 upward adjustment, divided by (ii) as of immediately prior to the Reverse Stock Split, the number of outstanding shares of HRG Common Stock on a fully diluted basis (the Share Combination Ratio). As part of the amendment and restatement of the HRG Charter, HRG will change its name to Spectrum Brands Holdings, Inc. Shares of HRG Common Stock will continue to be listed on the NYSE and are expected to trade under the symbol SPB following the Merger. In connection with the Merger, Spectrum will also change its name.

At the Effective Time, Merger Sub 1 will merge with and into Spectrum, with Spectrum surviving as a wholly owned subsidiary of HRG (the First Merger). Unless the Second Merger Opt-Out Condition (as defined herein) is met, Spectrum will immediately thereafter merge with and into Merger Sub 2 (the Second Merger), with Merger Sub 2 surviving as a wholly owned subsidiary of HRG. The Second Merger Opt-Out Condition means either of HRG or Spectrum receiving a tax opinion to the effect that the First Merger will qualify as a tax-free reorganization if the Second Merger is not consummated. As used herein, the term Merger means the First Merger and, only if the Second Merger occurs, the Second Merger, collectively.

In the Merger, each share of Spectrum Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Spectrum Common Stock held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum immediately prior to the Effective Time) will be converted, subject to certain exceptions, into the right to receive one (the Merger Exchange Ratio) share of HRG Common Stock (such consideration referred to as the Merger Consideration). Notwithstanding the foregoing, no HRG Common Stock will be issued in the Merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become, or be treated under the Amended HRG Charter as becoming a holder of more than 4.9% of Corporation Securities (as defined in Article XIII of the Amended HRG Charter). Any shares of HRG Common Stock

that would be issuable to a Spectrum stockholder but for the operation of the Merger Agreement and the provisions of Article XIII of the Amended HRG Charter will instead be treated as Excess Securities (as defined in the Amended HRG Charter) and be delivered to one or more charitable organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the Code), or escheated to the state of residence, incorporation or formation (as applicable) of the relevant Spectrum stockholder.

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Spectrum will not have a controlling stockholder after the consummation of the Merger. Immediately upon consummation of the Merger, pre-closing Spectrum stockholders and pre-closing HRG stockholders are expected to own approximately 39% and 61%, respectively, of the outstanding shares of HRG Common Stock, and a total of approximately 54,174,580 shares of HRG Common Stock are expected to be outstanding. Such ownership percentages and share amount are based on (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment. HRG Common Stock will continue to be registered and subject to reporting obligations under the Exchange Act following the consummation of the Merger.

Q: Why are Spectrum and HRG proposing the Merger?

A: The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the recommendation of the Spectrum Special Committee (as defined below), and the HRG board of directors each believe that the proposed Merger will provide a number of significant strategic benefits and opportunities that will be in the best interests of the Spectrum stockholders and the HRG stockholders, respectively. To review the reasons for the proposed Merger in greater detail, see *The Merger Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors* beginning on page 106 and *The Merger HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors* beginning on page 112.

Q: Why am I receiving this joint proxy statement/prospectus?

A: Each of Spectrum and HRG is sending these materials to its respective stockholders to help them decide how to vote their shares of Spectrum Common Stock or HRG Common Stock, as the case may be, with respect to the matters to be considered at a special meeting of stockholders of Spectrum (the Spectrum Special Meeting) and at a special meeting of stockholders of HRG (the HRG Special Meeting), respectively. Consummation of the Merger requires the affirmative votes by both Spectrum and HRG stockholders as described below in the sections entitled *The Spectrum Special Meeting* beginning on page 57, *The HRG Special Meeting* beginning on page 69 and *The Merger* beginning on page 79. To obtain these required approvals, Spectrum will hold the Spectrum Special Meeting to ask its stockholders to adopt the Merger Agreement (the Spectrum Merger Proposal), and HRG will hold the HRG Special Meeting to ask its stockholders to approve the issuance of HRG Common Stock to the Spectrum stockholders in connection with the Merger and the amendment and restatement of the HRG Charter (the HRG Required Proposals).

Further information about the Spectrum Special Meeting, the HRG Special Meeting and the Merger is contained in the sections entitled *The Spectrum Special Meeting* beginning on page 57, *The HRG Special Meeting* beginning on page 69 and *The Merger* beginning on page 79. This joint proxy statement/prospectus constitutes both a joint proxy statement of Spectrum and HRG and a prospectus of HRG. It is a joint proxy statement because the Spectrum board of directors is soliciting proxies from its stockholders, and the HRG board of directors is soliciting proxies from its

stockholders, using this joint proxy statement/prospectus. It is a prospectus because HRG, in connection with the Merger Agreement, is offering HRG Common Stock in exchange for the outstanding shares of Spectrum Common Stock.

The enclosed proxy materials allow you to submit a proxy by telephone or over the Internet without attending your respective company's special meeting in person.

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Your vote is very important. You are encouraged to submit your proxy by telephone or over the Internet as soon as possible, even if you plan to attend the Spectrum Special Meeting or the HRG Special Meeting in person.

Q: What will HRG stockholders receive in the Reverse Stock Split and/or the Merger?

A: Immediately prior to the First Merger, each outstanding share of HRG Common Stock will be combined by means of the Reverse Stock Split into a fraction of a share of HRG Common Stock equal to the Share Combination Ratio. No holder of HRG Common Stock will be issued fractional shares in the Reverse Stock Split. Each holder of shares of HRG Common Stock subject to the Reverse Stock Split who would otherwise have been entitled to receive a fraction of a share of HRG Common Stock (after aggregating all fractional shares held by such holder after giving effect to the Reverse Stock Split) will receive cash in an amount equal to the proceeds of the sale of such fractional share. Other than the HRG Common Stock and cash in lieu of fractional shares of HRG Common Stock received in the Reverse Stock Split, HRG stockholders will not receive any additional consideration in the Reverse Stock Split and/or the Merger.

Q: What will Spectrum stockholders receive in the Reverse Stock Split and/or the Merger?

A: In the Merger, each share of Spectrum Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Spectrum Common Stock held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum immediately prior to the Effective Time) will be converted into the right to receive one share of HRG Common Stock. The Reverse Stock Split does not apply to shares of Spectrum Common Stock.

Q: What are the reasons for, consequences of and risks related to the Reverse Stock Split?

A: The Reverse Stock Split will function to combine the outstanding shares of HRG Common Stock into fractions of a share equal to the Share Combination Ratio, after which new shares will be issued pursuant to the First Merger to holders of Spectrum Common Stock.

The Reverse Stock Split will apply to all outstanding shares of HRG Common Stock. For a discussion of the mechanics of the Reverse Stock Split, see *Q: Am I required to send in my HRG stock certificates now?* For a discussion of the Reverse Stock Split's effect on HRG options, warrants and restricted stock, see *The Transaction Agreements Description of the Merger Agreement Treatment of HRG Equity Awards*.

The number of shares of HRG Common Stock held by the current holders of HRG Common Stock following the Reverse Stock Split and the Merger will depend on the Share Combination Ratio, which will be determined by, among other things, the number of shares of Spectrum Common Stock held by HRG and its subsidiaries immediately prior to the Effective Time, the number of shares of HRG Common Stock outstanding on a fully-diluted basis, the net indebtedness and transaction expenses of HRG at closing and the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date of the Merger. For additional discussion of the consequences of the Reverse Stock Split, see *Q: What happens if the trading price of Spectrum Common Stock or HRG Common Stock changes before the closing of the Merger?* and *The*

Merger Consideration To Be Received by the Spectrum Stockholders and Consequences of the Reverse Stock Split.

For a discussion of certain U.S. income tax consequences of the Reverse Stock Split, see *Q: What are the material U.S. federal income tax consequences of the Reverse Stock Split and the Merger to U.S. Holders of HRG Common Stock?* and *Material U.S. Federal Income Tax Consequences U.S. Federal Income Tax Consequences of the Reverse Stock Split to U.S. Holders of shares of HRG Common Stock.*

Q: What will happen if a person would become a holder of more than 4.9% of the HRG securities as a result of the Merger?

A: No HRG Common Stock will be issued in the Merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become, or be treated under the Amended HRG Charter as

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becoming, a holder of more than 4.9% of Corporation Securities (as defined in the Amended HRG Charter). Any HRG Common Stock that would be issuable to a Spectrum stockholder but for the operation of the Merger Agreement and the provisions of Article XIII of the Amended HRG Charter will instead be treated as Excess Securities (as defined in the Amended HRG Charter) and be delivered to one or more charitable organizations described in Section 501(c)(3) of the Code or escheated to the state of residence, incorporation or formation (as applicable) of the relevant Spectrum stockholder. CF Turul LLC, an affiliate of Fortress Investment Group LLC (Fortress), which held approximately 16% of the issued and outstanding shares of HRG Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, Leucadia National Corporation (Leucadia), which held approximately 23% of the issued and outstanding shares of HRG Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, will be exempted from certain restrictions on ownership in the Amended HRG Charter, and may hold more than 4.9% of Corporation Securities, as discussed under *The Merger Interests of HRG's Directors and Officers in the Merger Rights of Certain Stockholders*.

Q: When will the Merger be consummated?

A: The Merger is expected to be consummated by the end of the second calendar quarter of 2018. However, neither Spectrum nor HRG can predict the actual date on which the Merger will be consummated, or whether it will be consummated, because the Merger is subject to factors beyond each company's control. See *The Transaction Agreements Description of the Merger Agreement Conditions to Completion of the Merger*.

Q: What are the conditions to the consummation of the Merger?

A: In addition to approval of the Spectrum Merger Proposal by Spectrum stockholders and approval of the HRG Required Proposals by HRG stockholders, consummation of the Merger is subject to the satisfaction or, to the extent permitted by applicable law, waiver of a number of other conditions. See *The Transaction Agreements Description of the Merger Agreement Conditions to Completion of the Merger*.

Q: What effect will the Merger have on Spectrum and HRG?

A: Spectrum will not have a controlling stockholder after the consummation of the Merger. At the Effective Time, Merger Sub 1 will merge with and into Spectrum, with Spectrum surviving as a wholly owned subsidiary of HRG. Immediately following the effectiveness of the First Merger, but only if the Second Merger Opt-Out Condition has not occurred, Spectrum will merge with and into Merger Sub 2, with Merger Sub 2 surviving as a wholly owned subsidiary of HRG. Following the consummation of the Merger, Spectrum Common Stock will no longer be listed on the NYSE or any other stock exchange or quotation system, and Spectrum will cease to be a publicly traded company.

HRG Common Stock will continue to be registered and subject to reporting obligations under the Exchange Act following the consummation of the Merger. As part of the HRG Charter Amendment, HRG will change its name to Spectrum Brands Holdings, Inc. In connection with the Merger, Spectrum will also change its name. Shares of HRG Common Stock will continue to be listed on the NYSE and are expected to trade under the symbol SPB following the

Merger.

Q: Who will serve as the directors and senior officers of HRG following the Merger?

A: At the Effective Time, the HRG board of directors will consist of (i) Kenneth C. Ambrecht, Norman S. Matthews, David M. Maura, Terry L. Polistina, Hugh R. Rovit, Andreas Rouvé and Joseph S. Steinberg, all current directors of Spectrum (or if any such person is unable or unwilling to serve as a member of the HRG board of directors at the Effective Time as a result of illness, death, resignation, removal or any other reason, then such person's successor prior to the Merger) and (ii) an individual designated by Leucadia who satisfies the independent designee requirements described in the section entitled *The Transaction Agreements Description of the Merger Agreement Post-Closing Governance*.

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At the Effective Time, the officers of Spectrum immediately prior to the Effective Time will become the officers of HRG (or if any such individual is unwilling or unable to so serve as an officer of HRG following the Effective Time, a replacement designated by Spectrum). The executive team of HRG following the Effective Time will be led by David M. Maura (Executive Chairman), Andreas Rouvé (Chief Executive Officer), Douglas L. Martin (Executive Vice President and Chief Financial Officer), Nathan E. Fagre (Senior Vice President, General Counsel and Secretary) and Stacey L. Neu (Senior Vice President of Human Resources).

Q: Who is entitled to vote?

A: *Spectrum*: The Spectrum board of directors has fixed the close of business on [], 2018 as the record date for the Spectrum Special Meeting (the Spectrum Record Date). If you were a holder of record of Spectrum Common Stock as of the close of business on [], 2018, you are entitled to receive notice of and to vote at the Spectrum Special Meeting and any adjournments thereof.

HRG: The HRG board of directors has fixed the close of business on [], 2018 as the record date for the HRG Special Meeting (the HRG Record Date). If you were a holder of record of HRG Common Stock as of the close of business on [], 2018, you are entitled to receive notice of and to vote at the HRG Special Meeting and any adjournments thereof.

Q: What are Spectrum stockholders being asked to vote on?

A: At the Spectrum Special Meeting, Spectrum stockholders will be asked to approve the following items (collectively, the Spectrum Proposals):

1. the proposal to adopt the Merger Agreement (the Spectrum Merger Proposal);
2. the proposal to approve the adjournment of the Spectrum Special Meeting to another date and place if necessary or appropriate to solicit additional votes in favor of the Spectrum Merger Proposal (the Spectrum Adjournment Proposal); and
3. six separate proposals to approve, on a non-binding, advisory basis, the amendment of the HRG certificate of incorporation (the Spectrum Advisory HRG Charter Amendment Proposals), including:

a proposal to subject HRG to Section 203 of the General Corporation Law of the State of Delaware (the DGCL) (the Spectrum Advisory HRG Section 203 Proposal);

a proposal to cause each outstanding share of HRG Common Stock to, by means of a reverse stock split, be combined into a fraction of a share of HRG Common Stock equal to the Share Combination Ratio (the Spectrum Advisory HRG Reverse Stock Split Proposal) (See *The Merger Consideration To*

Be Received by the Spectrum Stockholders and Consequences of the Reverse Stock Split and The Transaction Agreements Description of the Merger Agreement for further information on the calculation of the Share Combination Ratio);

a proposal to decrease the number of authorized shares of HRG Common Stock from 500 million to 200 million (the Spectrum Advisory HRG Common Stock Proposal);

a proposal to increase the number of authorized shares of HRG preferred stock from 10 million to 100 million (the Spectrum Advisory HRG Preferred Stock Proposal);

a proposal to amend the Internal Revenue Code Section 382 transfer provisions (the Spectrum Advisory HRG Section 382 Proposal); and

a proposal to make other amendments related or incidental to the foregoing (the Spectrum Advisory HRG Additional Charter Amendments Proposal).

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Approval of the Spectrum Merger Proposal is required for consummation of the Merger. Neither the approval of the Spectrum Adjournment Proposal nor the approval of any of the Spectrum Advisory HRG Charter Amendment Proposals is required for consummation of the Merger.

No other matters are intended to be brought before the Spectrum Special Meeting by Spectrum.

Q: What vote is required to approve each proposal at the Spectrum Special Meeting?

A: At the Spectrum Special Meeting, the following votes are required to approve each proposal:

1. *Spectrum Merger Proposal*: Approval of the Spectrum Merger Proposal requires the affirmative vote of (i) the holders of a majority of the outstanding shares of Spectrum Common Stock, (ii) the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and the executive officers of Spectrum, and (iii) the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would be deemed to be a person by Section 13(d)(3) of the Exchange Act with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the Certificate of Incorporation of Spectrum (referred to as the Spectrum Certificate of Incorporation) (items (ii) and (iii), collectively the Spectrum Unaffiliated Approvals). For the Spectrum Merger Proposal, an abstention, failure to vote or broker non-vote will have the same effect as a vote cast **AGAINST** this proposal.
2. *Spectrum Adjournment Proposal*: Approval of the Spectrum Adjournment Proposal requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum Common Stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, regardless of whether a quorum is present. For the Spectrum Adjournment Proposal, an abstention will have the same effect as a vote cast **AGAINST** this proposal. A failure to vote or broker non-vote will not be counted as a vote **FOR** or **AGAINST** this proposal.
3. *Spectrum Advisory HRG Charter Amendment Proposals*: Approval of each of the non-binding Spectrum Advisory HRG Charter Amendment Proposals requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum Common Stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, assuming a quorum is present. For the Spectrum Advisory HRG Charter Amendment Proposals, an abstention will have the same effect as a vote cast **AGAINST** these proposals. A failure to vote or broker non-vote will not be counted as a vote **FOR** or **AGAINST** these proposals.

Q: How does the Spectrum board of directors recommend Spectrum stockholders vote?

A: The Spectrum board of directors (other than Messrs. Steinberg and Zargar, who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, has determined that the Merger Agreement, all agreements and documents related to and contemplated by the Merger Agreement (the Related Agreements), the Merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its stockholders, and has authorized, approved, adopted and declared advisable the Merger Agreement, the Merger and the other transactions contemplated thereby. The Spectrum board of directors (other than Messrs. Steinberg and Zargar, who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends that the Spectrum stockholders vote their shares of Spectrum Common Stock:

1. **FOR** the Spectrum Merger Proposal;
2. **FOR** the Spectrum Adjournment Proposal; and
3. **FOR** each of the Spectrum Advisory HRG Charter Amendment Proposals.

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Q: Are there any risks about the Merger or HRG's business that Spectrum stockholders should consider in deciding whether to vote on the Spectrum Proposals?

A: Yes. Before making any decision on whether and how to vote, Spectrum stockholders are urged to read carefully and in its entirety the information contained in *Risk Factors* beginning on page 46 of this joint proxy statement/prospectus. Spectrum stockholders should also read and carefully consider the risk factors of Spectrum and HRG and the other risk factors that are incorporated by reference into this joint proxy statement/prospectus.

Q: Do any of Spectrum's directors or executive officers have interests in the Merger that may be different from, or in addition to, those of Spectrum stockholders?

A: Yes. Spectrum's directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of Spectrum stockholders. See *The Merger Interests of Spectrum's Directors and Officers in the Merger*. The members of the Spectrum Special Committee and the Spectrum board of directors were aware of and considered these interests, among other matters, in evaluating the Merger Agreement and the Merger, and in recommending that the Spectrum stockholders approve the Spectrum Proposals.

Q: What are HRG stockholders being asked to vote on?

A: At the HRG Special Meeting, HRG stockholders will be asked to approve the following items (collectively, the HRG Proposals):

1. Six separate proposals to amend the HRG Charter (collectively, the HRG Charter Amendment Proposals), including:

a proposal to amend the HRG Charter such that each outstanding share of HRG Common Stock will, by means of a reverse stock split, be combined into a fraction of a share of HRG Common Stock equal to the Share Combination Ratio (the HRG Reverse Stock Split Proposal);

a proposal to amend the HRG Charter such that HRG is subject to Section 203 of the DGCL (the HRG Section 203 Proposal);

a proposal to amend the HRG Charter to decrease the number of authorized shares of HRG Common Stock from 500 million to 200 million (the HRG Common Stock Proposal);

a proposal to amend the HRG Charter to increase the number of authorized shares of HRG preferred stock from 10 million to 100 million (the HRG Preferred Stock Proposal);

a proposal to amend the HRG Charter's Section 382 transfer provisions (the HRG Section 382 Proposal); and

a proposal to make other additional amendments to the HRG Charter (the HRG Additional Charter Amendments Proposal);

2. a proposal to approve the issuance of shares of HRG Common Stock in connection with the Merger Agreement, the Merger and other transactions contemplated thereby (the HRG Share Issuance Proposal);
3. a proposal to approve the adjournment of the HRG Special Meeting to another date and place if necessary or appropriate to solicit additional votes in favor of the HRG Charter Amendment Proposals or the HRG Share Issuance Proposal (the HRG Adjournment Proposal); and
4. a proposal to approve, by a non-binding advisory vote, certain compensation that may be paid or become payable to HRG's named executive officers that is based on or otherwise relates to the merger contemplated by the Merger Agreement (the HRG Advisory Compensation Proposal).

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Q: What vote is required to approve each proposal at the HRG Special Meeting?

A: At the HRG Special Meeting, the following votes are required to approve each proposal:

1. *HRG Charter Amendment Proposals:* Approval of each of the HRG Charter Amendment Proposals requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. For each HRG Charter Amendment Proposal, an abstention, failure to vote or broker non-vote will have the same effect as a vote cast **AGAINST** such proposal.
2. *HRG Share Issuance Proposal:* Approval of the HRG Share Issuance Proposal requires the affirmative vote of the holders of a majority of all votes cast by HRG stockholders present in person or by proxy and entitled to vote at the HRG Special Meeting, assuming a quorum is present. Approval of the HRG Share Issuance Proposal is required for approval of the shares of HRG Common Stock to be issued to Spectrum stockholders in the Merger for listing on the NYSE. Under NYSE rules, an abstention will be counted as a vote cast. Therefore, for the HRG Share Issuance Proposal, an abstention will have the same effect as a vote cast **AGAINST** this proposal. A failure to vote or broker non-vote will not be counted as a vote in favor of or against this proposal.
3. *HRG Adjournment Proposal:* Approval of the HRG Adjournment Proposal requires the affirmative vote of the holders of a majority of the voting power of the outstanding shares of HRG Common Stock which are present in person or by proxy and entitled to vote on such proposal. For the HRG Adjournment Proposal, an abstention will have the same effect as a vote cast **AGAINST** such proposal. A failure to vote or broker non-vote will not be counted as a vote **FOR** or **AGAINST** this proposal.
4. *HRG Advisory Compensation Proposal:* Approval of the non-binding HRG Advisory Compensation Proposal requires the affirmative vote of the holders of a majority of the voting power of the outstanding shares of HRG Common Stock which are present in person or by proxy and entitled to vote on such proposal, assuming a quorum is present. For the HRG Advisory Compensation Proposal, an abstention will have the same effect as a vote cast **AGAINST** such proposal. A failure to vote or broker non-vote will not be counted as a vote **FOR** or **AGAINST** such proposal.

Q: How does the HRG board of directors recommend HRG stockholders vote?

A: The HRG board of directors has approved the Merger Agreement and determined that the Merger Agreement and the Merger are advisable and in the best interests of HRG and its stockholders. The HRG board of directors recommends that the HRG stockholders vote their shares of HRG Common Stock:

1. **FOR** the HRG Reverse Stock Split Proposal;

2. **FOR** the HRG Section 203 Proposal;
3. **FOR** the HRG Common Stock Proposal;
4. **FOR** the HRG Preferred Stock Proposal;
5. **FOR** the HRG Section 382 Proposal;
6. **FOR** the HRG Additional Charter Amendments Proposal;
7. **FOR** the HRG Share Issuance Proposal;
8. **FOR** the HRG Adjournment Proposal; and
9. **FOR** the HRG Advisory Compensation Proposal.

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Q: Are there any risks about the Merger or Spectrum's business that HRG stockholders should consider in deciding whether to vote on the HRG Proposals?

A: Yes. Before making any decision on whether and how to vote, HRG stockholders are urged to read carefully and in its entirety the information contained in *Risk Factors* beginning on page 46 of this joint proxy statement/prospectus. HRG stockholders should also read and carefully consider the risk factors of Spectrum and HRG and the other risk factors that are incorporated by reference into this joint proxy statement/prospectus.

Q: Do any of HRG's directors or executive officers have interests in the Merger that may be different from, or in addition to, those of HRG stockholders?

A: Yes. HRG's directors and executive officers have interests in the Merger that may be different from, or in addition to, the interests of HRG stockholders. See *The Merger Interests of HRG's Directors and Officers in the Merger*. The members of the HRG board of directors were aware of and considered these interests, among other matters, in evaluating the Merger Agreement and the Merger, and in recommending that the HRG stockholders approve the HRG Proposals.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this joint proxy statement/prospectus, please submit your proxy or voting instruction card for your shares of Spectrum Common Stock or HRG Common Stock, as applicable, as soon as possible so that your shares will be represented at your respective company's special meeting. Please follow the instructions set forth on the proxy card or on the voting instruction card provided by your bank, broker or other nominee if your shares are held in street name through your bank, broker or other nominee.

Q: How do I vote?

A: If you are a stockholder of record of Spectrum as of the Spectrum Record Date, or a stockholder of record of HRG as of the HRG Record Date, you may submit your proxy before your respective company's special meeting in one of the following ways:

1. visit the website shown on your proxy card to submit your proxy via the Internet;
2. call the toll-free number for telephone proxy submission shown on your proxy card; or
3. complete, sign, date and return the enclosed proxy card in the enclosed postage-paid envelope.

If your shares are held in street name, through a bank, broker or other nominee, that institution will send you separate instructions describing the procedure for voting your shares. Please follow the voting instructions provided by your bank, broker or other nominee. Street name stockholders who wish to vote in person at the meeting will need to obtain a legal proxy from their bank, broker or other nominee.

You may also cast your vote in person at your respective company's special meeting. Please bring proper identification, together with proof that you are a record owner of Spectrum Common Stock or HRG Common Stock. If your shares are held in street name, please bring acceptable proof of ownership, such as a letter from your broker or an account statement stating or showing that you beneficially owned Spectrum Common Stock or HRG Common Stock, as applicable, on the applicable record date to be admitted to the meeting, and you must obtain a legal proxy from the bank, broker or other nominee to vote at the meeting.

Q: How many votes do I have?

A: *Spectrum*: You are entitled to one vote on each of the Spectrum Proposals for each share of Spectrum Common Stock that you owned as of the close of business on the Spectrum Record Date. As of the close of business on the Spectrum Record Date, [] shares of Spectrum Common Stock were outstanding and entitled to vote at the Spectrum Special Meeting.

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HRG: You are entitled to one vote on each of the HRG Proposals for each share of HRG Common Stock that you owned as of the close of business on the HRG Record Date. As of the close of business on the HRG Record Date, [] shares of HRG Common Stock were outstanding and entitled to vote at the HRG Special Meeting.

Q: Are any Spectrum stockholders already committed to vote in favor of the Spectrum Merger Proposal? Are any HRG stockholders already committed to vote in favor of the HRG Required Proposals?

A: Spectrum: Yes. HRG, which held approximately 62% of the issued and outstanding shares of Spectrum Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, entered into an agreement with Spectrum (the HRG Voting Agreement), pursuant to which HRG has agreed to vote all of its shares of Spectrum Common Stock to approve and adopt the Merger Agreement and the transactions contemplated thereby and take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, in each case subject to the terms and conditions set forth therein. However, HRG's shares of Spectrum Common Stock will not be counted for the purposes of the Spectrum Unaffiliated Approvals, so your vote is very important. The HRG Voting Agreement is included as Annex E to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus.

HRG: Yes. Leucadia, which held approximately 23% of the issued and outstanding shares of HRG Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, has entered into a voting agreement with HRG (the Leucadia Voting Agreement), pursuant to which Leucadia has agreed to vote its shares of HRG Common Stock in favor of the HRG Required Proposals, in each case subject to the terms and conditions set forth therein. In addition, Fortress, which held approximately 16% of the issued and outstanding shares of HRG Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, has entered into a voting agreement with HRG (the Fortress Voting Agreement and together with the Leucadia Voting Agreement, the Voting Agreements), pursuant to which Fortress has agreed to vote its shares of HRG Common Stock in favor of the HRG Required Proposals in each case subject to the terms and conditions set forth therein. The Leucadia Voting Agreement and the Fortress Voting Agreement are included as Annexes F and G, respectively, to this joint proxy statement/prospectus and are incorporated herein by reference into this joint proxy statement/prospectus.

Q: What if I sell my Spectrum Common Stock before the Spectrum Special Meeting, or I sell my HRG Common Stock before the HRG Special Meeting?

A: Spectrum: If you transfer your shares of Spectrum Common Stock after the Spectrum Record Date but before the Spectrum Special Meeting, you will, unless you provide the transferee of your shares with a proxy, retain your right to vote at the Spectrum Special Meeting, but will have transferred the right to receive the Merger Consideration, as further described herein. In order to receive HRG Common Stock as a result of the Merger, you must hold your shares of Spectrum Common Stock through the Effective Time.

HRG: If you transfer your shares of HRG Common Stock after the HRG Record Date but before the HRG Special Meeting, you will, unless you provide the transferee of your shares with a proxy, retain your right to vote at the HRG Special Meeting, but will have transferred the right to receive a fraction of a share of HRG Common Stock (and any

proceeds of the sale of fractional shares), as further described herein, for each share of HRG Common Stock pursuant to the Merger Agreement. In order to receive HRG Common Stock in connection with the Merger, you must hold your shares of HRG Common Stock through the time of the Reverse Stock Split (the Reverse Split Time).

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Q: Should I send in my Spectrum stock certificates now?

A: No. To the extent Spectrum stockholders have certificated shares, such Spectrum stockholders should keep their existing stock certificates at this time. After the Merger is consummated, Spectrum stockholders will receive from the exchange agent a letter of transmittal and written instructions for exchanging their stock certificates or book-entry shares for shares of HRG Common Stock.

HRG will not issue stock certificates in respect of any shares of HRG Common Stock, except as required by law. Spectrum stockholders who are entitled to receive the Merger Consideration will receive shares of HRG Common Stock in book-entry form.

Q: Am I required to send in my HRG stock certificates now?

A: No. To the extent HRG stockholders have certificated shares, such HRG stockholders should keep their existing stock certificates at this time. After the Reverse Stock Split is consummated, HRG stockholders will receive from the exchange agent a letter of transmittal and written instructions for exchanging their stock certificates or book-entry shares.

HRG will not issue stock certificates in respect of shares of HRG Common Stock, except as required by law. HRG stockholders who are entitled to receive new shares as a result of the Reverse Stock Split will receive shares of HRG Common Stock in book-entry form.

Q: When and where are the Spectrum Special Meeting and the HRG Special Meeting?

A: *Spectrum:* The Spectrum Special Meeting will be held at Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York, 10022, at [] (local time), on [], 2018.

HRG: The HRG Special Meeting will be held at Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, at [] (local time), on [], 2018.

Q: What constitutes a quorum?

A: *Spectrum:* The presence in person or by proxy of the holders of a majority of Spectrum Common Stock entitled to vote is necessary to constitute a quorum at the Spectrum Special Meeting. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum.

HRG: The presence in person or by proxy of the holders of shares of HRG Common Stock representing a majority of the voting power of all issued and outstanding shares of HRG Common Stock and entitled to vote at the HRG Special Meeting is necessary to constitute a quorum at the HRG Special Meeting. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum.

Q: If my shares are held in street name by a bank, broker or other nominee, will my bank, broker or other nominee vote my shares for me?

A: If your shares of Spectrum Common Stock or HRG Common Stock are held in street name in a stock brokerage account or by a bank or other nominee, you must provide your bank, broker or other nominee with instructions on how to vote your shares. Please follow the voting instructions provided by your bank, broker or other nominee. Please note that you may not vote shares held in street name by returning a proxy card directly to Spectrum or HRG or by voting in person at your respective company's special meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee.

Under the rules of the NYSE, brokers who hold shares in street name for a beneficial owner of those shares typically have the authority to vote in their discretion on routine proposals when they have not received instructions from beneficial owners. It is expected that all proposals to be voted on at the Spectrum

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Special Meeting and the HRG Special Meeting will be non-routine matters. Banks, brokers and other nominees do not have discretionary voting power with respect to the approval of matters determined to be non-routine without specific instructions from the beneficial owner. If a stockholder meeting consists of a mix of routine and non-routine matters, the banks, brokers or other nominees may exercise voting discretion over the routine matters and must refrain from voting on the non-routine matters, which are known as broker non-votes. When a special meeting is comprised of only non-routine matters and no proposal is considered routine, banks, brokers or other nominees, absent specific instructions from the beneficial owner, have no voting power over any matters and therefore no broker non-votes will result. Because all proposals at the Spectrum Special Meeting and the HRG Special Meeting will be considered non-routine, we do not expect to receive any broker non-votes.

If you are a Spectrum stockholder and you do not instruct your bank, broker or other nominee on how to vote your shares:

your bank, broker or other nominee may not vote your shares on the Spectrum Merger Proposal, which will have the same effect as a vote **AGAINST** this proposal;

your bank, broker or other nominee may not vote your shares on the Spectrum Adjournment Proposal or the Spectrum Advisory HRG Charter Amendment Proposals, which will not count as a vote **FOR** or **AGAINST** any of these proposals; and

your shares will not be counted towards determining whether a quorum is present.

If you are an HRG stockholder and you do not instruct your bank, broker or other nominee on how to vote your shares:

your bank, broker or other nominee may not vote your shares on the HRG Charter Amendment Proposals, which will have the same effect as a vote **AGAINST** these proposals;

your bank, broker or other nominee may not vote your shares on the HRG Share Issuance Proposal, the HRG Adjournment Proposal or the HRG Advisory Compensation Proposal, which will not count as a vote **FOR** or **AGAINST** any of these proposals; and

your shares will not be counted towards determining whether a quorum is present.

Q: What if I do not vote?

A: If you are a Spectrum stockholder and you fail to vote, fail to submit a proxy or fail to return a voting instruction card instructing your bank, broker or other nominee how to vote on the Spectrum Merger Proposal, or if you respond with an abstain vote on the Spectrum Merger Proposal, this will have the same effect as a vote cast

AGAINST the Spectrum Merger Proposal.

If you are a Spectrum stockholder and you fail to vote, fail to submit a proxy or fail to return a voting instruction card instructing your bank, broker or other nominee how to vote on the Spectrum Adjournment Proposal or the Spectrum Advisory HRG Charter Amendment Proposals, this will not count as a vote cast **FOR** or **AGAINST** the Spectrum Proposals. If you respond with an abstain vote on the Spectrum Adjournment Proposal or the Spectrum Advisory HRG Charter Amendment Proposals, this will have the same effect as a vote cast **AGAINST** these Proposals.

If you fail to vote, fail to submit a proxy or fail to properly instruct your bank, broker or other nominee how to vote with respect to any of the Spectrum Proposals, your shares will not count towards determining whether a quorum is present. However, if you respond with an abstain vote on any of the Spectrum Proposals, or vote on one or more of the Spectrum Proposals, your shares will count towards determining whether a quorum is present.

If you are an HRG stockholder and you fail to vote, fail to submit a proxy or fail to return a voting instruction card instructing your bank, broker or other nominee how to vote on the HRG Charter Amendment Proposals, or if you respond with an abstain vote on the HRG Charter Amendment Proposals, this will have the same effect as a vote cast **AGAINST** the HRG Charter Amendment Proposals.

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If you are an HRG stockholder and you fail to vote, fail to submit a proxy or fail to return a voting instruction card instructing your bank, broker or other nominee how to vote on the HRG Share Issuance Proposal, this will not count as a vote cast **FOR** or **AGAINST** such proposal. However, if you respond with an **abstain** vote on the Share Issuance Proposal, which is required for approval of the shares of HRG Common Stock to be issued to Spectrum stockholders in the Merger for listing on the NYSE, this will have the same effect as a vote cast **AGAINST** such proposal because the NYSE does not follow Delaware law that an abstention is not a vote cast and instead considers an abstention to be a vote cast.

If you are an HRG stockholder and you fail to vote, fail to submit a proxy or fail to return a voting instruction card instructing your bank, broker or other nominee how to vote on the HRG Adjournment Proposal or the HRG Advisory Compensation Proposal, this will not count as a vote cast **FOR** or **AGAINST** such proposals. If you respond with an **abstain** vote on the HRG Adjournment Proposal or the HRG Advisory Compensation Proposal, this will have the same effect as a vote cast **AGAINST** such proposals.

If you fail to vote, fail to submit a proxy or fail to properly instruct your bank, broker or other nominee how to vote with respect to any of the HRG Proposals, your shares will not count towards determining whether a quorum is present. However, if you respond with an **abstain** vote on any of the HRG Proposals, or vote on one or more of the HRG Proposals, your shares will count towards determining whether a quorum is present.

An abstention occurs when a stockholder attends the applicable meeting in person and does not vote or returns a proxy or voting instruction card with an **abstain** vote.

Please note that if you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal (and you do not change your vote after delivering your proxy or voting instruction card), the shares of Spectrum Common Stock represented by your proxy will be voted **FOR** each Spectrum Proposal in accordance with the recommendation of the Spectrum board of directors, or the shares of HRG Common Stock represented by your proxy will be voted **FOR** each HRG Proposal in accordance with the recommendation of the HRG board of directors. See the Q&A below entitled *May I change my vote after I have delivered my proxy or voting instruction card?* for further information on how to change your vote.

Your vote is very important. Whether or not you plan to attend the Spectrum Special Meeting or the HRG Special Meeting, as applicable, please promptly complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet.

Q: May I change my vote after I have delivered my proxy or voting instruction card?

A: Spectrum: As a Spectrum stockholder, you may change your vote or revoke a proxy at any time before your proxy is exercised at the Spectrum Special Meeting. If you are a Spectrum stockholder of record, you can do this by:

 sending a written notice of revocation stating that you would like to revoke your proxy, to:
Senior Vice President, General Counsel and Secretary

Spectrum Brands Holdings, Inc.

3001 Deming Way

Middleton, Wisconsin 53562

submitting a new proxy bearing a later date (by Internet, telephone or mail); or

attending the Spectrum Special Meeting and voting in person.

Attending the Spectrum Special Meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail. **If you wish to change your vote at the Spectrum Special Meeting, you must vote by ballot at such meeting to change your vote.**

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If you are a Spectrum stockholder whose shares are held in street name by a bank, broker or other nominee, you may revoke your proxy and vote your shares in person at the Spectrum Special Meeting only in accordance with applicable rules and procedures as employed by such bank, broker or other nominee. If your shares are held in an account at a bank, broker or other nominee, you should contact your bank, broker or other nominee to change your vote.

HRG: As an HRG stockholder, you may change your vote or revoke a proxy at any time before your proxy is voted at the HRG Special Meeting. If you are an HRG stockholder of record, you can do this by:

 sending a written notice of revocation that is received by HRG prior to 12:00 p.m. (U.S. Eastern Time) on the day preceding the HRG Special Meeting, stating that you would like to revoke your proxy, to:

Ehsan Zargar

Executive Vice President, Chief Operating Officer and General Counsel

HRG Group, Inc.

450 Park Avenue, 29th Floor

New York, New York 10022

 submitting a new proxy bearing a later date (by Internet, telephone or mail) that is received by HRG prior to 12:00 p.m. (U.S. Eastern Time) on the day preceding the HRG Special Meeting; or

 attending the HRG Special Meeting and voting in person.

Attending the HRG Special Meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail. **If you wish to change your vote at the HRG Special Meeting, you must vote by ballot at such meeting to change your vote.**

If you are an HRG stockholder whose shares are held in street name by a bank, broker or other nominee, you may revoke your proxy and vote your shares in person at the HRG Special Meeting only in accordance with applicable rules and procedures as employed by such bank, broker or other nominee. If your shares are held in an account at a bank, broker or other nominee, you should contact your bank, broker or other nominee to change your vote.

Q: What should I do if I receive more than one set of voting materials?

A: Spectrum and HRG stockholders may receive more than one set of voting materials, including multiple copies of this joint proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares of Spectrum Common Stock or HRG Common Stock in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold such shares. If you are a holder of record of Spectrum Common Stock or HRG Common Stock and your shares are registered in more than

one name, you will receive more than one proxy card. In addition, if you are a holder of shares of both Spectrum Common Stock and HRG Common Stock, you will receive one or more separate proxy cards or voting instruction cards for each company. Therefore, if you are a record holder, please complete, sign, date and return each proxy card and voting instruction card that you receive or otherwise follow the voting instructions set forth in this joint proxy statement/prospectus to ensure that you vote every share of Spectrum Common Stock and/or every share of HRG Common Stock that you own.

Q: What is householding and how does it affect me?

A: The Securities and Exchange Commission (the SEC) permits companies to send a single set of proxy materials to any household at which two or more stockholders reside, unless contrary instructions have been received, but only if the applicable company provides advance notice and follows certain procedures. In such cases, each stockholder continues to receive a separate notice of the meeting and proxy card.

If you hold your shares of Spectrum Common Stock or HRG Common Stock in street name, your bank, broker or other nominee may have instituted householding. If your household has multiple accounts holding

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Spectrum Common Stock or HRG Common Stock, you may have already received householding notification from your bank, broker or other nominee. Please contact your bank, broker or other nominee directly if you have any questions or require additional copies of this joint proxy statement/prospectus. The broker will arrange for delivery of a separate copy of this joint proxy statement/prospectus promptly upon your written or oral request. You may decide at any time to revoke your decision to household, and thereby receive multiple copies. Not all banks, brokers or other nominees may offer the opportunity to permit beneficial owners to participate in householding. If you want to participate in householding and eliminate duplicate mailings in the future, you must contact your bank, broker or other nominee directly.

Q: Where can I find the voting results of the Spectrum Special Meeting and the HRG Special Meeting?

A: Preliminary voting results are expected to be announced at the Spectrum Special Meeting and the HRG Special Meeting and may be set forth in a press release of Spectrum or HRG after the Spectrum Special Meeting and the HRG Special Meeting, respectively. Final voting results for the Spectrum Special Meeting and the HRG Special Meeting are expected to be published in Current Reports on Form 8-K to be filed by Spectrum and HRG with the SEC within four business days after the Spectrum Special Meeting and the HRG Special Meeting, as applicable.

Q: Are Spectrum stockholders entitled to appraisal rights?

A: No. Spectrum stockholders will not be entitled to exercise any appraisal rights under Delaware law in connection with the Merger.

Q: Are HRG stockholders entitled to appraisal rights?

A: No. HRG stockholders will not be entitled to exercise any appraisal rights under Delaware law in connection with the Merger, including the Reverse Stock Split.

Q: What are the material U.S. federal income tax consequences of the Merger to U.S. Holders of Spectrum Common Stock?

A: Spectrum and HRG intend for the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to both parties' obligations to complete the Merger that either Spectrum or HRG (or both) receive an opinion from nationally recognized tax counsel to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Provided that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, a U.S. Holder of Spectrum Common Stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Spectrum Common Stock for shares of HRG Common Stock in the Merger.

Please review the information set forth in the section entitled *Material U.S. Federal Income Tax Consequences* for a more complete description of the material U.S. federal income tax consequences of the Merger. The tax consequences

to you of the Merger will depend on your particular facts and circumstances. Please consult your own tax advisors as to the specific tax consequences to you of the Merger.

Q: What are the material U.S. federal income tax consequences of the Reverse Stock Split and the Merger to U.S. Holders of HRG Common Stock?

A: A U.S. Holder (as defined under *Material U.S. Federal Income Tax Consequences*) of HRG Common Stock generally will not recognize gain or loss upon the Reverse Stock Split, except with respect to cash received in lieu of a fractional HRG share. A U.S. Holder's aggregate tax basis in the HRG Common Stock received pursuant to the Reverse Stock Split will equal the aggregate tax basis of the HRG Common Stock surrendered (excluding any portion of such basis that is allocated to a fractional share of HRG Common

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Stock), and such U.S. Holder's holding period in the HRG Common Stock received will include the holding period in the HRG Common Stock surrendered. A U.S. Holder of HRG Common Stock that receives cash in lieu of a fractional HRG share pursuant to the Reverse Stock Split will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Holder's tax basis in the HRG Common Stock surrendered that is allocated to such fractional HRG share. The Merger, which will occur immediately following the Reverse Stock Split, will have no U.S. federal income tax consequences to a U.S. Holder of HRG Common Stock (other than a U.S. Holder that receives HRG Common Stock pursuant to the Merger Agreement, as described in the section entitled *Material U.S. Federal Income Tax Consequences* and the below Q&A). Please review the information set forth in the section entitled *Material U.S. Federal Income Tax Consequences* for a more complete description of the material U.S. federal income tax consequences of the Reverse Stock Split and the Merger. The tax consequences to you of the Reverse Stock Split and the Merger will depend on your particular facts and circumstances. Please consult your own tax advisors as to the specific tax consequences to you of the Reverse Stock Split and the Merger.

Q: What happens if the trading price of Spectrum Common Stock or HRG Common Stock changes before the closing of the Merger?

A: Because the Share Combination Ratio is not fixed and will vary with market prices, among other things, the number of shares of HRG Common Stock to be received by holders of HRG Common Stock in the Reverse Stock Split, and therefore the portion and value of HRG following the Effective Time represented by shares of HRG Common Stock issued to Spectrum stockholders in the Merger, will change between now and the time the Merger is consummated.

The exact value of the shares of HRG Common Stock to be received by the current HRG stockholders and the current Spectrum stockholders will depend on, among other things, the trading prices of the Spectrum Common Stock and the HRG Common Stock immediately prior to the Effective Time, as discussed under *The Merger Consideration To Be Received by the Spectrum Stockholders and Consequences of the Reverse Stock Split*.

Q: What happens if the Merger is not consummated?

A: If the Merger is not consummated, shares of HRG Common Stock will not be subject to the Reverse Stock Split and Spectrum stockholders will not receive the Merger Consideration in exchange for their shares of Spectrum Common Stock. Instead, HRG and Spectrum will remain separate public companies and the Spectrum Common Stock and the HRG Common Stock will continue to be listed and traded on the NYSE. In addition, Spectrum will continue to be HRG's majority-owned subsidiary.

Q: Whom should I contact if I have any questions about the proxy materials or voting?

A: If you have any questions about the proxy materials or if you need assistance submitting your proxy or voting your shares or need additional copies of this joint proxy statement/prospectus or the enclosed proxy card, you should, if you are a Spectrum stockholder, contact Spectrum's proxy solicitation agent and, if you are an HRG

stockholder, contact HRG's proxy solicitation agent.

Spectrum stockholders should contact MacKenzie Partners, Inc., the proxy solicitation agent for Spectrum, by (i) mail at 1407 Broadway, 27th Floor, New York, New York 10018, (ii) email at proxy@mackenziepartners.com or (iii) telephone toll-free at (800) 322-2885.

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HRG stockholders should contact Georgeson LLC, the proxy solicitation agent for HRG, by (i) mail at 1290 Avenue of the Americas, 9th Floor, New York, New York 10104, (ii) e-mail at HRGGroup@Georgeson.com or (iii) telephone at (781) 575-2137 or toll-free (888) 680-1529.

Q: Where can I find more information about Spectrum and HRG?

A: You can find more information about Spectrum and HRG from the various sources described under *Where You Can Find More Information*.

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SUMMARY

*This summary highlights selected information included in this joint proxy statement/prospectus. You should read carefully this entire joint proxy statement/prospectus and its annexes and exhibits and the other documents referred to in this joint proxy statement/prospectus, because the information in this section may not provide all of the information that might be important to you in determining how to vote. Additional important information about Spectrum and HRG is also contained in the annexes and exhibits to, and the documents incorporated by reference into, this joint proxy statement/prospectus. For a description of, and instructions as to how to obtain, this information, see *Where You Can Find More Information*. Certain items in this summary include a page reference directing you to a more complete description of that item.*

Parties to the Transaction

Spectrum Brands Holdings, Inc.

Spectrum Brands Holdings, Inc. is a diversified global branded consumer products company. Spectrum manufactures, markets and/or distributes its products in approximately 160 countries in the North America; Europe, Middle East & Africa; Latin America and Asia-Pacific regions through a variety of trade channels, including retailers, wholesalers and distributors, original equipment manufacturers, construction companies and hearing aid professionals. Spectrum enjoys strong name recognition in its regions under its various brands and patented technologies across multiple product categories.

The principal executive offices of Spectrum are located at 3001 Deming Way, Middleton, Wisconsin 53562; its telephone number is (609) 275-3340; and its website is *www.spectrumbrands.com*. Information on this Internet web site is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about Spectrum from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see *Incorporation of Certain Documents by Reference*.

HRG Group, Inc.

HRG is a holding company that conducts its operations principally through Spectrum, which is a majority-owned subsidiary of HRG.

The principal executive offices of HRG are located at 450 Park Avenue, 29th Floor, New York, New York 10022; its telephone number is (212) 906-8555; and its website is *www.hrggroup.com*. Information on this Internet web site is not incorporated by reference into or otherwise part of this joint proxy statement/prospectus.

This joint proxy statement/prospectus incorporates important business and financial information about HRG from other documents that are not included in or delivered with this joint proxy statement/prospectus. For a list of the documents that are incorporated by reference, see *Incorporation of Certain Documents by Reference*.

HRG SPV Sub I, Inc.

Merger Sub 1 was incorporated in the State of Delaware on February 20, 2018, and is a direct wholly owned subsidiary of HRG. Merger Sub 1 was formed solely for the purpose of completing the Merger. Merger Sub 1 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection

with the Merger.

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The principal executive offices of Merger Sub 1 are located at 450 Park Avenue, 29th Floor, New York, New York 10022; and its telephone number is (212) 906-8555.

HRG SPV Sub II, LLC

Merger Sub 2 was formed in the State of Delaware on February 20, 2018, and is a direct wholly owned subsidiary of HRG. Merger Sub 2 was formed solely for the purpose of completing the Merger. Merger Sub 2 has not carried on any activities to date, except for activities incidental to its formation and activities undertaken in connection with the Merger.

The principal executive offices of Merger Sub 2 are located at 450 Park Avenue, 29th Floor, New York, New York 10022; and its telephone number is (212) 906-8555.

The Transaction (See Page 79)

The terms and conditions of the transaction are contained in the Merger Agreement which is attached to this joint proxy statement/prospectus as Annex A and incorporated by reference into this joint proxy statement/prospectus. **You should read the Merger Agreement carefully, as it is the legal document that governs the transaction.**

Transaction Structure

The Merger will be implemented through several steps that will occur in immediate succession.

Immediately prior to the consummation of the First Merger, the HRG Charter will be amended and restated. As a result of this amendment and restatement, each of the outstanding shares of HRG Common Stock will, by means of the Reverse Stock Split, be combined into a fraction of a share of HRG Common Stock equal to (i) the number of shares of Spectrum Common Stock held by HRG and its subsidiaries as of immediately prior to the Effective Time, adjusted for HRG's net indebtedness as of closing, certain transaction expenses of HRG that are unpaid as of closing and a \$200,000,000 upward adjustment, divided by (ii) as of immediately prior to the Reverse Split Time, the number of outstanding shares of HRG Common Stock on a fully diluted basis. As part of the amendment and restatement of the HRG Charter, HRG will change its name to Spectrum Brands Holdings, Inc. In connection with the Merger, Spectrum will also change its name.

Immediately following the Reverse Stock Split, Merger Sub 1 will merge with and into Spectrum in the First Merger, with Spectrum surviving the First Merger as a direct wholly owned subsidiary of HRG. Immediately following the effectiveness of the First Merger, but only if HRG or Spectrum does not receive a tax opinion that states the First Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, Spectrum will merge with and into Merger Sub 2 in the Second Merger, with Merger Sub 2 surviving the Second Merger as a direct wholly owned subsidiary of HRG.

In the Merger, each share of Spectrum Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Spectrum Common Stock held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum immediately prior to the Effective Time, which will be cancelled and will cease to exist) will be converted into the right to receive one share of HRG Common Stock.

Notwithstanding the foregoing, no shares of HRG Common Stock will be issued in the Merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become, or be treated under the Amended HRG Charter as becoming a holder of more than 4.9% of Corporation Securities (as defined

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in Article XIII of the Amended HRG Charter). Any shares of HRG Common Stock that would be issuable to a Spectrum stockholder but for the operation of the Merger Agreement and the provisions of Article XIII of the Amended HRG Charter will instead be treated as Excess Securities (as defined in Article XIII of the Amended HRG Charter) and be delivered to one or more charitable organizations described in Section 501(c)(3) of the Code or escheated to the state of residence, incorporation or formation (as applicable) of the relevant Spectrum stockholder.

Immediately upon consummation of the Merger, pre-closing Spectrum stockholders and pre-closing HRG stockholders are expected to own approximately 39% and 61%, respectively, of the outstanding shares of HRG Common Stock, and a total of approximately 54,174,580 shares of HRG Common Stock are expected to be outstanding. Such ownership percentages and share amount are based on (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment. Shares of Spectrum Common Stock currently trade on the NYSE under the symbol **SPB** and shares of HRG Common Stock currently trade on the NYSE under the symbol **HRG**. Following the completion of the Merger, the shares of HRG Common Stock will be listed on the NYSE and are expected to trade under the symbol **SPB**.

Treatment of Spectrum Equity-Based Awards (See Page 153)

By virtue of the First Merger and at the Effective Time, (i) each award of Spectrum Common Stock subject to vesting, repurchase or other lapse restrictions granted under an equity-based Spectrum plan (each, a **Spectrum Restricted Stock Award**) that is outstanding as of immediately prior to the Effective Time, will be assumed by HRG and will be automatically converted into a restricted stock award of HRG Common Stock equal to the number of shares of Spectrum Common Stock subject to such Spectrum Restricted Stock Award as of immediately prior to the Effective Time (each, a **New HRG Restricted Stock Award**); (ii) each vested and unvested restricted stock unit award that corresponds to a number of shares of Spectrum Common Stock granted under a Spectrum Plan (each, a **Spectrum RSU Award**) that is outstanding as of immediately prior to the Effective Time, will be assumed by HRG and will be automatically converted into a restricted share unit award of HRG Common Stock equal to the number of shares of Spectrum Common Stock subject to such Spectrum RSU Award as of immediately prior to the Effective Time (each, a **New HRG RSU Award**); and (iii) each vested and unvested performance share unit award that corresponds to a number of shares of Spectrum Common Stock granted under a Spectrum Plan (each, a **Spectrum PSU Award**) that is outstanding as of immediately prior to the Effective Time, will be assumed by HRG and will be automatically converted into a performance share unit award of HRG Common Stock equal to the number of shares of Spectrum Common Stock subject to such Spectrum PSU Award as of immediately prior to the Effective Time (subject to such adjustment as may be determined by the board of directors of Spectrum or any applicable committee thereof in its discretion) (each, a **New HRG PSU Award**). Each New HRG Restricted Stock Award, New HRG RSU Award and New HRG PSU Award will continue to have the same terms and conditions, including with respect to vesting, as the Spectrum Restricted Stock Award, Spectrum RSU Award and Spectrum PSU Award to which they relate. In addition, and as further discussed below in the section entitled *The Merger Interests of HRG's Directors and Officers in the Merger*, beginning on page 139, all outstanding Spectrum equity awards held by Ehsan Zargar, HRG's Executive Vice President, Chief Financial Officer and Chief Accounting Officer, will accelerate and vest immediately upon the Effective Time.

Treatment of HRG Equity-Based Awards (See Page 153)

As of the date that is ten days prior to the Effective Time, but subject to the consummation of the First Merger, each stock option granted under an equity-based HRG plan or otherwise (each, an HRG Stock Option)

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and each warrant granted under an equity-based HRG plan or otherwise (each, an HRG Warrant) that in either case is then outstanding and unvested will become fully vested and exercisable. To the extent that, prior to the Reverse Split Time, the holder of an HRG Stock Option or HRG Warrant exercises the applicable award, the shares of HRG Common Stock issued to the holder on exercise will be treated as shares of HRG Common Stock for all purposes of the Merger, including the Reverse Split and the First Merger. As of the Reverse Split Time, each outstanding HRG Stock Option and HRG Warrant will be adjusted by (i) multiplying the number of shares of HRG Common Stock covered by such award by the Share Combination Ratio and rounding down to the nearest whole share and (ii) dividing the per-share exercise price of such award by the Share Combination Ratio and rounding up to the nearest whole cent. Except as otherwise provided above, each adjusted HRG Stock Option and HRG Warrant will continue to have, and will be subject to, the same terms and conditions as applied to the award as of immediately prior to the Reverse Split Time.

Immediately prior to the Reverse Split Time, each award of HRG Common Stock subject to vesting, repurchase or other lapse restrictions granted under an equity-based HRG plan (each, an HRG Restricted Stock Award) that is outstanding as of immediately prior to the Reverse Split Time, will vest in full and become fully vested shares of HRG Common Stock (HRG Vested Restricted Stock Award Shares). As of the Reverse Split Time, each HRG Vested Restricted Stock Award Share will be treated as a share of HRG Common Stock for all purposes of the Merger, including the Reverse Split and the First Merger.

Litigation Relating to the Merger (See Page 153)

On January 17, 2018, Spectrum received a demand letter from counsel for a purported Spectrum stockholder pursuant to Section 220 of the DGCL seeking inspection of Spectrum's books and records. After negotiation with counsel for this purported stockholder, and pursuant to an agreement governing the confidentiality of any produced documents, Spectrum agreed to produce certain books and records in connection with the proposed Merger between Spectrum and HRG.

Board and Management of HRG After the Merger (See Page 133)

At the Effective Time, the HRG board of directors will consist of (i) Messrs. Kenneth C. Ambrecht, Norman S. Matthews, David M. Maura, Terry L. Polistina, Hugh R. Rovit, Andreas Rouvé and Joseph S. Steinberg, all current directors of Spectrum (or if any such person is unable or unwilling to serve as a member of the HRG board of directors at the Effective Time as a result of illness, death, resignation, removal or any other reason, then such person's successor prior to the Merger) and (ii) an individual designated by Leucadia who satisfies the following designation requirements: that (x) such individual (A) qualifies as an independent director of HRG and Spectrum, in each case as of and following the Effective Time, under Rule 303A(2) of the NYSE Listed Company Manual, (B) is not, and within the three years prior to the date of the Merger Agreement has not been, a director, officer, or employee of HRG, Leucadia, Fortress or any of their respective subsidiaries, (C) is not as of the closing date of the Merger a director, officer or employee of a hedge fund or an investment bank, (D) completes reasonable and customary onboarding documentation generally applicable to the other members of the HRG board of directors (as of the date of the Merger Agreement), and (E) has not been the subject of any event required to be disclosed pursuant to Items 2(d) or 2(e) of Schedule 13D under the Exchange Act or Item 401(f) of Regulation S-K of the Securities Act (for the avoidance of doubt, excluding bankruptcies and violations of or non-compliance with Section 16(b) under the Exchange Act) involving an act of moral turpitude by such individual and is not subject to any order, decree or judgment of any governmental entity prohibiting service as a director of any public company, and (y) the election of such individual to the HRG board of directors would not cause HRG to be in violation of applicable law.

At the Effective Time, the officers of Spectrum immediately prior to the Effective Time will become the officers of HRG (or if any such individual is unwilling or unable to so serve as an officer of HRG following the

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Effective Time, a replacement designated by Spectrum). The executive team of HRG following the Effective Time will be led by Messrs. Maura (Executive Chairman), Rouvé (Chief Executive Officer), Douglas L. Martin (Executive Vice President and Chief Financial Officer) and Nathan E. Fagre (Senior Vice President, General Counsel and Secretary), and Ms. Stacey L. Neu (Senior Vice President of Human Resources).

Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors (See Page 106)

The Spectrum Special Committee is a committee consisting of four independent and disinterested directors of the Spectrum board of directors formed for the purpose of exploring, considering, negotiating and reviewing any strategic alternatives announced by HRG involving Spectrum or any other strategic or financial alternatives available to Spectrum. The Spectrum Special Committee has unanimously determined that the Merger Agreement, all Related Agreements, the Merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its minority stockholders, and has recommended that the Spectrum board of directors authorize, approve, adopt and declare advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, and recommend Spectrum's stockholders adopt the Merger Agreement and the Related Agreements and approve the Merger and the other transactions contemplated thereby.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar, who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, has determined that the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its stockholders, and has authorized, approved, adopted and declared advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby. **The Spectrum board of directors (other than Messrs. Steinberg and Zargar, who recused themselves due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends that the Spectrum stockholders vote FOR each of the resolutions to be considered at the Spectrum Special Meeting and described in this joint proxy statement/prospectus, including the Spectrum Merger Proposal.**

For a discussion of the factors considered by the Spectrum Special Committee and the Spectrum board of directors in their determination to recommend the adoption of the Merger Agreement and the approval of the Merger and the other transactions contemplated thereby, see *The Merger Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors*.

HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors (See Page 112)

The HRG board of directors determined that it is advisable and fair to, and in the best interests of, HRG and its stockholders for HRG to enter into the Merger Agreement, the Related Agreements, and the transactions contemplated thereby, including the Merger, the HRG Share Issuance and the HRG Charter Amendment, and to adopt the Amended HRG Charter. **The HRG board of directors unanimously recommends that the HRG stockholders vote FOR each of the resolutions to be considered at the HRG Special Meeting and described in this joint proxy statement/prospectus.**

For a discussion of the factors considered by the HRG board of directors in their determination to recommend, authorize, approve and declared advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, see *The Merger HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors*.

Table of Contents**Opinion of the Spectrum Special Committee's Financial Advisor (See Page 117)**

In connection with the Merger and the other transactions contemplated by the Merger Agreement (collectively, the Transaction), the Spectrum Special Committee received an oral opinion, which was confirmed by delivery of a written opinion, dated February 24, 2018, from its financial advisor, Moelis & Company LLC (Moelis), as to the fairness, from a financial point of view and as of the date of such opinion, of the Merger Exchange Ratio in the Transaction, to the holders of Spectrum Common Stock other than HRG, its affiliates, and those holders of HRG Common Stock party to the Voting Agreements (collectively, the Excluded Holders). **The full text of Moelis' written opinion, dated February 24, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. Moelis' opinion was provided for the use and benefit of the Spectrum Special Committee (solely in its capacity as such) in its evaluation of the Transaction. Moelis' opinion is limited solely to the fairness, from a financial point of view, of the Merger Exchange Ratio to the holders of Spectrum Common Stock, other than the Excluded Holders, and does not address Spectrum's underlying business decision to effect the Transaction or the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available with respect to Spectrum. Moelis' opinion does not constitute a recommendation as to how any holder of securities should vote or act with respect to the Transaction or any other matter.**

Opinion of HRG's Financial Advisor (See Page 125)

HRG retained J.P. Morgan Securities LLC (J.P. Morgan) to act as financial advisor to the HRG board of directors in connection with the proposed Transaction. At the meeting of the HRG board of directors on February 24, 2018, J.P. Morgan rendered its oral opinion to the HRG board of directors that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in preparing the opinion, the Share Combination Ratio in the proposed Transaction was fair, from a financial point of view, to the holders of HRG Common Stock. J.P. Morgan confirmed this oral opinion by delivering its written opinion to the HRG board of directors, dated February 24, 2018.

The full text of the written opinion of J.P. Morgan, dated February 24, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in preparing the opinion, is attached as Annex C to this joint proxy statement/prospectus and is incorporated by reference into this joint proxy statement/prospectus. HRG's stockholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the HRG board of directors (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed Transaction, was directed only to the Share Combination Ratio in the proposed Transaction and did not address any other aspect of the proposed Transaction. The opinion does not constitute a recommendation to any stockholder of HRG as to how such stockholder should vote with respect to the HRG Proposals or any other matter. For a description of the opinion that the HRG board of directors received from J.P. Morgan, see *The Merger Opinion of HRG's Financial Advisor* beginning on page 125 of this joint proxy statement/prospectus.

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Key Terms of the Transaction Agreements (See Page 149)

Agreement and Plan of Merger (See Page 149)

Conditions to the Completion of the Merger

As more fully described in this joint proxy statement/prospectus and as set forth in the Merger Agreement, the closing of the Merger depends on a number of conditions being satisfied or waived (except with respect to the condition set forth in item (ii) of the first bullet below, which is not waivable). These conditions include:

approval of the Spectrum Merger Proposal by the affirmative vote (i) of the holders of a majority of the outstanding shares of Spectrum Common Stock, (ii) of the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and the executive officers of Spectrum and (iii) of the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would be deemed to be a person by Section 13(d)(3) of the Exchange Act with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the Spectrum Certificate of Incorporation;

approval of (i) each of the HRG Charter Amendment Proposals by the affirmative vote of the holders of a majority of the outstanding shares of HRG Common Stock and consent of the holder of Series A Participating Convertible Preferred Stock of HRG, par value \$0.01 (the HRG Series A Preferred Stock), and (ii) the HRG Share Issuance Proposal by the affirmative vote of the holders of a majority of HRG Common Stock present in person or represented by proxy and entitled to vote at the HRG Special Meeting, assuming a quorum is present;

absence of any applicable law or order being in effect restraining, enjoining, prohibiting or making illegal the consummation of the proposed transaction;

the effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus forms a part under the Securities Act and not being the subject of any stop order;

the listing on the NYSE of the shares of HRG Common Stock to be issued to the Spectrum stockholders in the Merger, subject to official notice of issuance;

receipt by either HRG or Spectrum (or both) of a written opinion of a nationally recognized tax counsel, dated as of the closing date of the Merger and in form and substance reasonably satisfactory to such party, to the effect that for U.S. federal income tax purposes the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code;

the accuracy of each party's representations and warranties in the Merger Agreement (generally subject to a material adverse effect standard) as of the date of the Merger Agreement and as of the closing date of the Merger and the receipt by each party of a certificate from an executive officer of the other party certifying that this condition has been satisfied;

the performance in all material respects by each party of the covenants and agreements required to be performed by it under the Merger Agreement and the receipt by each party of a certificate from an executive officer of the other party certifying that this condition has been satisfied; and

the absence of a material adverse effect on either party since the date of the Merger Agreement (see section entitled *Definition of Material Adverse Effect* for a discussion on the meaning of material adverse effect). Spectrum and HRG cannot be certain when, or if, the conditions to the Merger Agreement will be satisfied or waived, or when or whether the Merger will be completed.

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No Solicitation; Change of Recommendation

As more fully described in this joint proxy statement/prospectus and as set forth in the Merger Agreement, Spectrum and HRG have agreed, among other things:

not to solicit, initiate or knowingly encourage, induce or facilitate any alternative acquisition proposal or any inquiry, proposal or offer that may reasonably be expected to lead to an alternative acquisition proposal;

not to furnish nonpublic information regarding itself or any of its subsidiaries or afford access to its business, properties, assets, books or records to, or otherwise knowingly cooperate in any way with, any third party that is reasonably expected to make, or has made, an alternative acquisition proposal; and

subject to certain exceptions, not to engage in any discussions or negotiations with any third parties regarding alternative acquisition proposals.

However, the foregoing restrictions do not apply to any inquiry, proposal or offer with respect to (i) any transaction that relates specifically to the battery or appliances business of Spectrum and its subsidiaries or (ii) any other transaction that would not reasonably be expected to prevent or materially delay or make more unlikely to occur the consummation of the Merger and the other transactions contemplated by the Merger Agreement, so long as Spectrum keeps HRG informed on a reasonably current basis of the status of such transaction.

Prior to the time, in the case of Spectrum, that Spectrum receives stockholder approval of the Spectrum Merger Proposal, or, in the case of HRG, that HRG receives stockholder approval of the HRG Required Proposals:

upon receipt by a party of an unsolicited acquisition proposal made after the date of the Merger Agreement, if such party's board of directors determines in good faith (after consultation with outside counsel and a financial advisor of nationally recognized reputation) that such acquisition proposal constitutes a superior proposal or is reasonably likely to lead to a superior proposal, such party may, subject to specified conditions and requirements, furnish nonpublic information to the person making the proposal and participate in discussions or negotiations with such person; and

the board of directors of either party may change its recommendation to its stockholders in response to certain intervening events or a superior proposal if such board of directors determines that the failure to do so would be reasonably likely to be inconsistent with its fiduciary duties to its stockholders under applicable law, subject in each case to delivering the other party four business days' notice (it being understood that any amendment or subsequent amendment to the material terms of the superior proposal will require the notifying party to deliver the other party a new three business days' notice) and, to the extent requested by the other party, engaging in good faith negotiations with the other party during such period to amend the Merger Agreement, considering in good faith any bona fide offer by the other party, and after such negotiations and good faith consideration of such offer (if any), making a determination after the negotiations (if any) whether such superior proposal is no longer superior or, in the case of an intervening event, whether a change in the

recommendation is no longer necessary.

Subject to the parties' rights to terminate the Merger Agreement, each party has agreed to submit the Merger in the manner described in this joint proxy statement/prospectus to a vote of its respective stockholders for approval notwithstanding any change in recommendation by its respective board of directors.

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Termination of the Merger Agreement

The Merger Agreement may be terminated at any time prior to the closing in any of the following ways:

by mutual consent of HRG and Spectrum;

by either HRG or Spectrum, if:

the Merger has not been consummated on or before the outside date, which is October 8, 2018;

any court of competent jurisdiction or other governmental entity has issued a final and nonappealable judgment, order, injunction, rule, law or decree, or taken any other action, restraining, enjoining or otherwise prohibiting any of the HRG Charter Amendment, the HRG Share Issuance or the Merger;

after completion of the HRG Special Meeting (including any adjournment or postponement thereof), the HRG stockholders have not approved the HRG Required Proposals; or

after completion of the Spectrum Special Meeting (including any adjournment or postponement thereof), the Spectrum stockholders have not approved the Spectrum Merger Proposal;

by HRG, if:

there has been an uncured breach by Spectrum of any of its representations and warranties or covenants and as a result of such breach the related closing conditions cannot be satisfied and such breach cannot be cured by or has not been cured by the earlier of (x) the outside date and (y) 45 days following notice of such breach; or

the Spectrum board of directors changes its recommendation in favor of the Merger;

by Spectrum, if:

there has been an uncured breach by HRG of any of its representations and warranties or covenants and as a result of such breach the related closing conditions cannot be satisfied and such breach cannot be cured by or has not been cured by the earlier of (x) the outside date and (y) 45 days following notice of such breach; or

the HRG board of directors changes its recommendation in favor of the Merger.

Termination Fee

The Merger Agreement does not provide for a termination fee in the event of termination in any circumstance.

Listing of Shares of HRG Common Stock (See Page 144)

Pursuant to the Merger Agreement, HRG has agreed to use its reasonable best efforts to cause the shares of HRG Common Stock to be issued in the Merger to be approved for listing on the NYSE, subject to official notice of issuance, prior to the Effective Time. It is expected that, following the Merger, shares of HRG Common Stock will be listed on the NYSE and trade under the symbol SPB.

Delisting and Deregistration of Shares of Spectrum Common Stock (See Page 144)

Following the Merger, shares of Spectrum Common Stock will be delisted from the NYSE, deregistered under the Exchange Act and cease to be publicly traded.

Table of Contents***Voting Agreements (See Pages 175 and 179)***

On February 24, 2018, in connection with the execution of the Merger Agreement, HRG, which as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, beneficially owns approximately 62% of the outstanding Spectrum Common Stock, entered into the HRG Voting Agreement. The HRG Voting Agreement requires that HRG vote all of its shares of Spectrum Common Stock to approve and adopt the Merger Agreement and the transactions contemplated thereby and take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the HRG Voting Agreement.

On February 24, 2018, in connection with the execution of the Merger Agreement, Fortress, which as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, beneficially owns approximately 16% of the outstanding HRG Common Stock and the one outstanding share of HRG Series A Preferred Stock, entered into the Fortress Voting Agreement with HRG. The Fortress Voting Agreement requires that Fortress vote or exercise its right to consent with respect to its share of HRG Series A Preferred Stock and all of its shares of HRG Common Stock to approve the amendment and restatement of the HRG Charter and the issuance of HRG Common Stock to Spectrum stockholders in the First Merger and take certain other actions, including voting against an alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the Fortress Voting Agreement.

On February 24, 2018, in connection with the execution of the Merger Agreement, Leucadia, which as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, beneficially owns approximately 23% of the outstanding HRG Common Stock, entered into the Leucadia Voting Agreement. The Leucadia Voting Agreement requires that Leucadia vote its shares of HRG Common Stock to approve the amendment and restatement of the HRG Charter and the issuance of HRG Common Stock to Spectrum stockholders in the First Merger and take certain other actions, including voting against an alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the Leucadia Voting Agreement.

Post-Closing Stockholder Agreement (See Page 177)

On February 24, 2018, in connection with the execution of the Merger Agreement, Leucadia and HRG entered into a shareholder agreement (the Post-Closing Stockholder Agreement), which will become effective as of the closing of the Merger.

Under the Post-Closing Stockholder Agreement, Leucadia has the right to designate one nominee to the HRG board of directors, until the earliest of (i) such time as Leucadia and its subsidiaries in the aggregate own less than 10% of the number of shares of HRG Common Stock (calculated on a fully diluted basis) issued and outstanding immediately after the Effective Time, (ii) such time as Leucadia and its subsidiaries in the aggregate own less than 5% of the number of shares of HRG Common Stock (calculated on a fully diluted basis) then issued and outstanding, and (iii) the later of (A) the 60-month anniversary of the Effective Time and (B) such time as Leucadia and its subsidiaries in the aggregate own less than 10% of the number of shares of HRG Common Stock (calculated on a fully diluted basis) then issued and outstanding. At any time following the Effective Time, if (A) Leucadia and its subsidiaries in the aggregate own less than 5% of the number of shares of HRG Common Stock (calculated on a fully diluted basis) issued and outstanding immediately after the Effective Time or (B) either of the events specified in clause (ii) or

(iii) of the preceding sentence occurs, then the director designated by Leucadia is required to promptly resign from the HRG board of directors.

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Under the Post-Closing Stockholder Agreement, Leucadia is subject to certain standstill provisions following the Effective Time providing that it and its subsidiaries will not, among other things, (i) acquire equity securities or derivative instruments of HRG, if after giving effect to such acquisitions the aggregate number of shares of HRG Common Stock beneficially owned by Leucadia and its subsidiaries exceeds 15% of the number of shares of HRG Common Stock (calculated on a fully diluted basis) then issued and outstanding, (ii) make, or in any way participate in, any solicitation of proxies to vote any voting securities of HRG, (iii) commence a tender offer or exchange offer for voting securities of HRG without the prior written consent of the HRG board of directors, (iv) form or join a group for the purpose of voting, acquiring or disposing of any voting securities of HRG, (v) submit to the HRG board of directors a written proposal for an acquisition of HRG or make any public announcement related thereto, or (vi) call a meeting of the stockholders of HRG. The standstill provisions are subject to certain exceptions as set forth in the Post-Closing Stockholder Agreement. The standstill provisions cease at such time as both (i) Leucadia and its subsidiaries no longer in the aggregate own at least 10% of the number of shares of HRG Common Stock (calculated on a fully diluted basis) issued and outstanding immediately after the Effective Time and (ii) a nominee of Leucadia is no longer serving on the HRG board of directors.

Post-Closing Registration Rights Agreement (See Page 180)

Upon consummation of the Merger, Fortress, Leucadia and HRG will enter into a registration rights agreement (the Post-Closing Registration Rights Agreement). Pursuant to the Post-Closing Registration Rights Agreement, HRG will use its commercially reasonable efforts to file within 30 days following the closing of the Merger a shelf registration statement and keep such shelf registration statement effective so long as Fortress and Leucadia (and their permitted assigns) own shares of HRG Common Stock (such shares of HRG Common Stock owned by Fortress and Leucadia (and their permitted assigns), the Registrable Securities). In addition, each of Fortress and Leucadia (and their permitted assigns) will be able to cause HRG to undertake up to two underwritten takedowns of the shelf registration statement. The Post-Closing Registration Rights Agreement will also grant certain customary piggyback rights for Fortress and Leucadia (and their permitted assigns). The Post-Closing Registration Rights Agreement will allow Fortress and Leucadia (and their affiliates) to transfer their registration rights to, among others, certain permitted transferees, including to affiliates of Fortress and Leucadia, respectively, and to persons advised by Fortress or Leucadia, respectively (so long as the decision-making control with respect to such interests remains after such transfer with Fortress or Leucadia, respectively), and in certain circumstances, to the direct or indirect members, shareholders, general or limited partners, or other equity holders of Fortress and Leucadia.

Letter Agreement (See Page 180)

On February 24, 2018, Fortress, Leucadia and HRG entered into a letter agreement (the Letter Agreement), pursuant to which Fortress and Leucadia may elect, subject to certain conditions and on a one-time basis, to reapportion, as between Fortress and Leucadia, certain rights of Fortress and Leucadia under the Amended HRG Charter.

Spectrum Rights Agreement (See Page 181)

On February 24, 2018, the Spectrum board of directors declared a dividend of one preferred share purchase right (a Spectrum Right), payable on March 8, 2018, for each share of Spectrum Common Stock outstanding on March 8, 2018 (the Spectrum Rights Dividend Record Date) to the stockholders of record on that date. In connection with the distribution of the Rights, Spectrum entered into a Rights Agreement (the Spectrum Rights Agreement), dated as of February 24, 2018, with Computershare Trust Company, N.A., as Rights Agent. Each Right entitles the registered holder to purchase from Spectrum one one-thousandth of a share of Series R Preferred Stock, par value \$0.01 per share (the Series R Preferred Shares), of Spectrum at a price of \$462.00 per one one-thousandth of a Series R Preferred Share represented by a Right, subject to adjustment.

Table of Contents***HRG Rights Agreement (See Page 181)***

On February 24, 2018, the HRG board of directors declared a dividend of one preferred share purchase right (an HRG Right), payable on March 8, 2018, for each outstanding share of HRG Common Stock outstanding on March 8, 2018 (the HRG Rights Dividend Record Date) to the stockholders of record on that date. Each HRG Right entitles the registered holder to purchase from HRG one one-thousandth of a share of Series B Preferred Stock, par value \$0.01 per share (the Series B Preferred Shares), of HRG, at a price of \$71.55 per one one-thousandth of a Series B Preferred Share represented by an HRG Right, subject to adjustment. The description and terms of the HRG Rights are set forth in a Rights Agreement (the HRG Rights Agreement), dated as of February 24, 2018, between HRG and American Stock Transfer & Trust Company, LLC, a limited liability trust company, as rights agent.

The HRG Rights Agreement is intended to, among other things, discourage an ownership change within the meaning of Section 382 of the Code and thereby preserve the current ability of HRG to utilize certain net operating loss carryovers and capital loss carryforwards of HRG and its subsidiaries.

Material Agreements between the Parties (See Page 144)

In addition to the Merger Agreement, the other agreements relating to the Merger and the transactions contemplated thereby, certain relationships have existed and will continue to exist among Spectrum, HRG and their respective affiliates, which are described in Item 13, Certain Relationships and Related Transactions and Director Independence in Spectrum's Annual Report on Form 10-K for the fiscal year ended September 30, 2017, filed with the SEC on November 16, 2017 and amended on November 17, 2017 and January 23, 2018 and Item 13, Certain Relationships and Related Transactions and Director Independence in HRG's Annual Report on Form 10-K for the fiscal year ended September 30, 2017, filed with the SEC on November 20, 2017 and Note 19, Related Party Transactions, to the consolidated financial statements included therewith, each of which is incorporated by reference in this joint proxy statement/prospectus. The following updates the descriptions of agreements described therein that will terminate as of the Effective Time.

Stockholder Agreement

Spectrum and HRG are parties to a stockholder agreement, dated as of February 9, 2010 (the Existing Stockholder Agreement), by and among Harbinger Capital Partners Master Fund I, Ltd., Harbinger Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd. (who collectively transferred their interests in Spectrum to HRG (formerly known as Harbinger Group Inc.) as of September 10, 2010) and Spectrum (formerly known as SB/RH Holdings, Inc.), which provides certain rights and imposes certain obligations on HRG. The Existing Stockholder Agreement includes provisions to (i) allow HRG to nominate a certain number of directors of the Spectrum board of directors as long as HRG and its affiliates beneficially own 40% or more of the outstanding Spectrum Common Stock, (ii) prevent the Spectrum Certificate of Incorporation or the bylaws of Spectrum (the Spectrum Bylaws) from being amended in a manner inconsistent with the provisions of the Existing Stockholder Agreement, (iii) prevent HRG from transferring equity to any person that would result in such person owning 40% or more of the Spectrum Common Stock, and (iv) grant HRG certain access and information rights with respect to Spectrum. The Spectrum board of directors currently consists of eight directors, including two directors affiliated with HRG. The Existing Stockholder Agreement will terminate as of the Effective Time.

Registration Rights Agreement

Spectrum and HRG are parties to a registration rights agreement, dated as of February 9, 2010 (the Existing Registration Rights Agreement), by and among Harbinger Capital Partners Master Fund I, Ltd., Harbinger

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Capital Partners Special Situations Fund, L.P., Global Opportunities Breakaway Ltd., Avenue International Master, L.P., Avenue Investments, L.P., Avenue Special Situations Fund V, L.P., Avenue Special Situations Fund IV, L.P., Avenue-CDP Global Opportunities Fund, L.P. (who collectively transferred their interests in Spectrum to HRG (formerly known as Harbinger Group Inc.) as of September 10, 2010) and Spectrum (formerly known as SB/RH Holdings, Inc.), pursuant to which HRG has, among other things and subject to the terms and conditions set forth therein, certain demand and so-called piggy back registration rights with respect to its shares of the Spectrum Common Stock. The Existing Registration Rights Agreement will terminate as of the Effective Time.

Accounting Treatment (See Page 144)

The Merger will be accounted for as an acquisition of a non-controlling interest under Accounting Standards Codification Topic 810-10 (ASC 810-10). In accounting for the Merger, HRG will apply its historical accounting policies and recognize the assets and liabilities of Spectrum at their respective historical values as of the closing date of the Merger.

Material U.S. Federal Income Tax Consequences (See Page 146)

The Reverse Stock Split

A U.S. Holder (as defined under *Material U.S. Federal Income Tax Consequences*) of HRG Common Stock generally will not recognize gain or loss upon the Reverse Stock Split, except with respect to cash received in lieu of a fractional HRG share. A U.S. Holder's aggregate tax basis in the HRG Common Stock received pursuant to the Reverse Stock Split will equal the aggregate tax basis of the HRG Common Stock surrendered (excluding any portion of such basis that is allocated to a fractional share of HRG Common Stock), and such U.S. Holder's holding period in the HRG Common Stock received will include the holding period in the HRG Common Stock surrendered. A U.S. Holder of HRG Common Stock that receives cash in lieu of a fractional HRG share pursuant to the Reverse Stock Split will recognize capital gain or loss in an amount equal to the difference between the amount of cash received and the U.S. Holder's tax basis in the HRG Common Stock surrendered that is allocated to such fractional HRG share.

The Merger

Spectrum and HRG intend for the Merger to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to both parties' obligations to complete the Merger that either Spectrum or HRG (or both) receive an opinion from a nationally recognized tax counsel to the effect that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. Provided that the Merger qualifies as a reorganization within the meaning of Section 368(a) of the Code, a U.S. Holder of Spectrum Common Stock will not recognize any gain or loss for U.S. federal income tax purposes upon the exchange of shares of Spectrum Common Stock for shares of HRG Common Stock in the Merger.

Please review the information set forth in the section entitled *Material U.S. Federal Income Tax Consequences* for a more complete description of the material U.S. federal income tax consequences of the Reverse Stock Split and of the Merger.

Interests of Spectrum's Directors and Officers in the Merger (See Page 136)

In considering the recommendation of the Spectrum board of directors, Spectrum stockholders should be aware that certain of Spectrum's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of Spectrum's stockholders generally. These interests may present such

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executive officers and directors with actual or potential conflicts of interest. The members of the Spectrum Special Committee and the Spectrum board of directors were aware of these interests and considered them, among others, in their authorization, approval and adoption of the Merger Agreement, the Merger and the other transactions contemplated thereby and their recommendation that Spectrum's stockholders vote **FOR** the Spectrum Merger Proposal. See *The Merger Background of the Merger*, *The Merger Spectrum's Reasons for the Merger*; *Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors* and *The Merger Interests of Spectrum's Directors and Officers in the Merger* for further discussion of these matters.

Interests of HRG's Directors and Officers in the Merger (See Page 139)

In considering the recommendation of the HRG board of directors, HRG stockholders should be aware that certain of HRG's executive officers and directors have interests in the Merger that may be different from, or in addition to, those of HRG's stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. The members of the HRG board of directors were aware of these interests during their deliberations on the merits of the Merger and in deciding to recommend that HRG stockholders vote for the HRG Proposals. For additional information on the interests of HRG's directors and officers in the Merger, see *The Merger Interests of HRG's Directors and Officers in the Merger*.

Voting by Spectrum's Directors and Executive Officers (See Page 59)

As of the Spectrum Record Date, approximately []% of the shares of Spectrum Common Stock outstanding and entitled to vote were held by the directors and executive officers of Spectrum and their affiliates. As of the Spectrum Record Date, approximately []% of the shares of Spectrum Common Stock outstanding and entitled to vote were held by directors and executive officers of Spectrum (and their affiliates) who are not affiliated with HRG, which represents approximately []% of the shares of Spectrum Common Stock outstanding and entitled to vote held by the Spectrum stockholders not affiliated with HRG. Spectrum currently expects that the directors and executive officers of Spectrum will vote their shares of Spectrum Common Stock in favor of the Spectrum Merger Proposal, although none has entered into any agreement obligating them to do so. For additional information regarding the votes required to approve the proposals to be voted on at the Spectrum Special Meeting, see *The Spectrum Special Meeting Required Vote*.

Voting by HRG's Directors and Executive Officers (See Page 72)

As of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, approximately 0.11% of the total outstanding shares of HRG Common Stock were held by HRG directors and executive officers and their affiliates (not including shares held by Fortress or Leucadia or any of their respective affiliates). HRG currently expects that the directors and executive officers of HRG will vote their shares of HRG Common Stock in favor of the Share Issuance Proposal and each of the Charter Amendment Proposals, although none has entered into any agreement obligating them to do so.

Leucadia and Fortress, representing approximately 23% and 16%, respectively, of the total voting power of the outstanding shares of HRG Common Stock, as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, have agreed to vote in favor of the HRG Share Issuance Proposal and each of the HRG Charter Amendment Proposals, pursuant to the terms of the Voting Agreements. For additional information regarding the votes required to approve the proposals to be voted on at the HRG Special Meeting, see *The HRG Special Meeting Required Vote*, and for additional information regarding the Fortress and Leucadia voting obligations, see *The Transaction Agreements Description of the Voting Agreements*.

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No Appraisal Rights (See Page 198)

Spectrum stockholders and HRG stockholders will not be entitled to exercise any appraisal rights under Delaware law in connection with the Merger.

Comparison of Stockholder Rights (See Page 188)

As a result of the Merger, the holders of Spectrum Common Stock will become holders of HRG Common Stock, and their rights will be governed by Delaware law and by the Amended HRG Charter and amended bylaws of HRG (the Amended HRG Bylaws) (instead of the Spectrum Certificate of Incorporation or the Spectrum Bylaws). As described herein, the HRG Charter will be amended and restated immediately prior to the Effective Time. Former Spectrum stockholders and HRG stockholders will have different rights as HRG stockholders following the Merger from those they had as Spectrum stockholders and HRG stockholders, respectively.

Charter Amendments (See Page 188)

In connection with the Merger, the HRG Charter will be amended such that (i) each outstanding share of HRG Common Stock will, by means of a reverse stock split, be combined into a fraction of a share of HRG Common Stock equal to the Share Combination Ratio, (ii) HRG is subject to Section 203 of the DGCL, (iii) the number of authorized shares of HRG Common Stock is decreased from 500 million to 200 million, (iv) the number of authorized shares of HRG preferred stock is increased from 10 million to 100 million, (v) the Section 382 transfer provisions are modified and (vi) other additional modifications are adopted. For additional information regarding the charter amendments, see the section entitled *Comparison of Stockholder Rights*, *Spectrum Proposals* and *HRG Proposals*.

Risk Factors (See Page 46)

In deciding how to vote your shares of Spectrum Common Stock or HRG Common Stock, you should read carefully this entire joint proxy statement/prospectus, including the documents incorporated by reference herein and the annexes and exhibits hereto, and in particular, you should read the *Risk Factors* section beginning on page 46 of this joint proxy statement/prospectus.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SPECTRUM

Set forth below are selected historical consolidated financial data for Spectrum. The financial data as of September 30, 2017 and September 30, 2016, and for the years ended September 30, 2017, September 30, 2016 and September 30, 2015, are derived from Spectrum's audited financial statements that are incorporated by reference into this joint proxy statement/prospectus from Spectrum's Current Report on Form 8-K filed on March 30, 2018. The financial data as of September 30, 2015, September 30, 2014, September 30, 2013, and for the years ended September 30, 2014 and September 30, 2013, are derived from Spectrum's audited financial statements for those years, which are not incorporated by reference into this joint proxy statement/prospectus. The financial data as of December 31, 2017 and for the three months ended December 31, 2017 and January 1, 2017, are derived from Spectrum's unaudited financial statements from Spectrum's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2017, which is incorporated by reference into this joint proxy statement/prospectus. The financial data as of January 1, 2017 are derived from Spectrum's unaudited financial statements from Spectrum's Quarterly Report on Form 10-Q for the quarterly period ended January 1, 2017, which is not incorporated by reference in this joint proxy statement/prospectus. Spectrum's management believes that Spectrum's unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

During the three months ended December 31, 2017, Spectrum's board of directors approved a plan to explore strategic alternatives, including a planned sale of Spectrum's Global Batteries and Appliances (GBA) segment. As a result, Spectrum's assets and liabilities associated with the GBA segment have been classified as held for sale in the Consolidated Statement of Financial Position of Spectrum and the respective operations of the GBA segment have been classified as discontinued operations in the Consolidated Statements of Income of Spectrum for the years ended September 30, 2017, September 30, 2016 and September 30, 2015 and for the three months ended December 31, 2017 and January 1, 2017 and reported separately for such periods. For the fiscal years ended September 30, 2014 and 2013 included within the selected financial data below, Spectrum has not adjusted to reflect changes due to the recognition of GBA segment as discontinued operations and therefore certain financial information within the summarized financial information below may not be comparable between the respective periods.

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The financial statement data provided below is only a summary, and you should read it in conjunction with the historical consolidated financial statements of Spectrum and the related notes contained in its annual and quarterly reports and the other information that Spectrum has previously filed with the SEC and which is incorporated into this joint proxy statement/prospectus by reference. See *Incorporation of Certain Documents by Reference* and *Where You Can Find More Information*. Amounts below are presented in millions, except per share amounts.

<i>(in millions, except per share data)</i>	Three Month Period Ended		Year Ended September 30,				
	Dec. 31, 2017⁽¹⁾	Jan. 1, 2017	2017⁽²⁾	2016⁽³⁾	2015⁽⁴⁾	2014⁽⁵⁾	2013⁽⁶⁾
Statement of Operations Data							
Net sales	\$ 646.5	\$ 602.3	\$ 3,009.5	\$ 3,029.4	\$ 2,598.2	\$ 4,429.1	\$ 4,085.6
Gross profit	240.9	239.1	1,176.0	1,237.7	978.5	1,568.9	1,390.3
Operating income	34.0	61.3	328.1	417.7	246.2	481.9	351.2
Interest expense	38.6	43.1	160.9	182.0	185.8	202.1	375.6
(Loss) Income from continuing operations before income taxes	(5.9)	19.2	162.3	231.0	56.4	273.5	(27.9)
Income tax expense	(126.0)	6.7	37.3	(50.0)	5.6	59.0	27.4
Net income from continuing operations	120.1	12.5	125.0	281.0	50.8		
Income from discontinued operations, net of tax	40.9	52.7	172.1	76.6	98.6		
Net income (loss)	161.0	65.2	297.1	357.6	149.4	214.5	(55.3)
Net income (loss) attributable to controlling interest	160.1	65.2	295.8	357.1	148.9	214.1	(55.2)
Earnings (Loss) Per Share of Common Stock							
Basic earnings per share from continuing operations	\$ 2.07	\$ 0.21	\$ 2.13	\$ 4.72	\$ 0.90		
Basic earnings per share from discontinued operations	0.70	0.89	2.91	1.30	1.78		
Basic earnings per share	\$ 2.77	\$ 1.10	\$ 5.04	\$ 6.02	\$ 2.68	\$ 4.07	\$ (1.06)
Diluted earnings per share from continuing operations	\$ 2.07	\$ 0.21	\$ 2.12	\$ 4.70	\$ 0.90		
Diluted earnings per share from discontinued operations	0.70	0.89	2.90	1.29	1.76		
Diluted earnings per share	\$ 2.77	\$ 1.10	\$ 5.02	\$ 5.99	\$ 2.66	\$ 4.02	\$ (1.06)
Dividends per share	\$ 0.42	\$ 0.38	\$ 1.64	\$ 1.47	\$ 1.27	\$ 1.15	\$ 0.75
Statement of Financial Position Data							
Cash and cash equivalents	\$ 137.9	\$ 143.3	\$ 168.2	\$ 275.3	\$ 247.9	\$ 194.6	\$ 207.3

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Working capital ⁽⁷⁾	1,926.9	681.8	493.7	537.3	660.6	485.0	497.5
Total assets	7,504.8	6,954.5	7,419.7	7,069.1	7,193.8	5,429.6	5,543.2
Total debt	3,979.3	3,656.2	3,771.7	3,560.0	3,905.9	2,939.7	3,153.6
Total equity	1,974.5	1,785.4	1,846.7	1,844.0	1,606.8	1,086.8	940.1

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- (1) During the three-month period ended December 31, 2017, the board of directors of Spectrum approved a plan to explore strategic alternatives, including a planned sale of Spectrum's GBA segment. Spectrum expects a sale to be realized by December 31, 2018. As a result, Spectrum's assets and liabilities associated with the GBA segment have been classified as current assets and liabilities of business held for sale on the Statement of Financial Position. Additionally, on December 22, 2017, the Tax Cuts and Jobs Act was signed into law, which significantly changes U.S. tax law by, among other things, lowering corporate income tax rates from a maximum of 35% to a flat 21% rate, effective January 1, 2018. Since Spectrum files U.S. tax returns on a September fiscal year basis, the Spectrum U.S. tax rate for Fiscal 2018 will be a blended rate of 24.53%. During the three-month period ended December 31, 2017, Spectrum recorded a provisional \$206.7 million tax benefit for restatement of U.S. deferred tax assets and liabilities and a provisional \$78.8 million of income tax expense for the one-time deemed mandatory repatriation.
- (2) For the year ended September 30, 2017, the operating results include the PetMatrix, LLC (PetMatrix) business operations since the acquisition date of June 1, 2017 and GloFish (GloFish) branded operations since the acquisition date of May 12, 2017. Operating income includes an impairment of indefinite lived intangible assets of \$16.3 million. Interest expense includes \$4.6 million of tender premium and a non-cash expense of \$1.9 million as a result of the write-off of unamortized debt issuance costs in connection with the redemption of Spectrum's 6.375% Senior Notes due 2020 (the 6.375% Notes).
- (3) For the year ended September 30, 2016, operating income includes an impairment of indefinite lived intangible assets of \$2.7 million. Interest expense includes \$15.6 million of tender premium and a non-cash expense of \$5.8 million as a result of the write-off of unamortized debt issuance costs in connection with the redemption of the 6.375% Notes. Income tax expense includes a non-cash benefit of \$111.1 million from a decrease in the valuation allowance against net deferred tax asset.
- (4) For the year ended September 30, 2015, the operating results include the Armored AutoGroup (AAG) business operations since the acquisition date of May 21, 2015; Salix Animal Health LLC (Salix) operations since the acquisition date of January 16, 2015; European IAMS and Eukanuba (European IAMS and Eukanuba) pet food business operations since the acquisition date of December 31, 2014; and Tell Manufacturing, Inc. (Tell) operations since the acquisition date of October 1, 2014. Interest expense of \$58.8 million was incurred related to the financing of the acquisition of AAG and the refinancing of the then-existing senior credit facility and asset based revolving loan facility. Income tax expense includes a non-cash benefit of \$20.2 million from a decrease in the valuation allowance against net deferred tax assets, and a \$22.8 million benefit due to the reversal of valuation allowance in conjunction with the acquisition of the AAG business.
- (5) For the year ended September 30, 2014, the operating results include the Liquid Fence Company (Liquid Fence) operations since the acquisition date of January 2, 2014. Interest expense includes a non-cash charge of \$9.2 million as a result of the write-off of unamortized debt issuance costs and unamortized discounts in connection with the amendment of Spectrum's then existing term loans. Income tax expense includes a non-cash benefit of approximately \$115.6 million from a decrease in the valuation allowance against net deferred tax assets.
- (6) For the year ended September 30, 2013, the operating results include the Hardware & Home Improvement (HHI) business operations since the acquisition date of December 17, 2012, and the TLM Taiwan operations since the acquisition date of April 8, 2013. Interest expense includes \$105.6 million fees and expenses along with a \$10.9 million non-cash charge for the write-off of unamortized debt issuance cost and unamortized premiums in connection with the extinguishment and replacement of Spectrum's 9.5% notes and then-existing term loan in conjunction with the acquisition of the HHI business. Income taxes includes a non-cash charge of approximately \$64.4 million from an increase in the valuation allowance against net deferred tax assets, net of a \$49.8 million benefit due to the reversal of a portion of the valuation allowance in conjunction with the acquisition of the HHI business.
- (7)

Working capital is defined as current assets less current liabilities per the consolidated statements of financial position.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF HRG

Set forth below are selected historical consolidated financial data for HRG. The financial data as of September 30, 2017 and September 30, 2016, and for the years ended September 30, 2017, September 30, 2016, and September 30, 2015, are derived from HRG's audited financial statements that are incorporated by reference into this joint proxy statement/prospectus from HRG's Current Report on Form 8-K filed on April 2, 2018. The financial data as of September 30, 2015, September 30, 2014, September 30, 2013, and for the years ended September 30, 2014 and September 30, 2013, are derived from HRG's audited financial statements for those years, which are not incorporated by reference into this joint proxy statement/prospectus. The financial data as of December 31, 2017 and for the three months ended December 31, 2017 and December 31, 2016 are derived from HRG's unaudited financial statements from HRG's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2017, which is incorporated by reference into this joint proxy statement/prospectus. The financial data as of December 31, 2016 are derived from HRG's unaudited financial statements from HRG's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2016. HRG's management believes that HRG's unaudited consolidated financial statements have been prepared on a basis consistent with its audited financial statements and include all normal and recurring adjustments necessary for a fair presentation of the results for each interim period.

Spectrum's assets and liabilities associated with the GBA segment have been classified as held for sale in the Consolidated Statement of Financial Position of Spectrum as of September 30, 2017, September 30, 2016, December 31, 2017 and January 1, 2017 and the respective operations of the GBA segment have been classified as discontinued operations in the Consolidated Statements of Income of Spectrum for the years ended September 30, 2017, September 30, 2016 and September 30, 2015 and for the three months ended December 31, 2017 and January 1, 2017 and reported separately for such periods. For the fiscal years ended September 30, 2014 and 2013 included within the selected financial data below, HRG has not adjusted to reflect changes due to the recognition of GBA segment as discontinued operations and therefore certain financial information within the summarized financial information below may not be comparable between the respective periods.

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The information set forth below is not necessarily indicative of future results and should be read together with the historical consolidated financial statements of HRG and the related notes contained in its annual and quarterly reports and the other information that HRG has previously filed with the SEC and which is incorporated into this joint proxy statement/prospectus by reference. See *Incorporation of Certain Documents by Reference* and *Where You Can Find More Information*. Amounts below are presented in millions, except per share amounts.

	For the Three Months Ended December 31,		For the Year Ended September 30,				
	2017	2016	2017	2016	2015	2014	2013
Income Statement Data⁽¹⁾:							
Revenues ⁽²⁾	\$ 646.5	\$ 602.3	\$ 3,010.6	\$ 3,038.3	\$ 2,661.6	\$ 4,482.6	\$ 4,114.5
Operating income (loss) ⁽³⁾	26.6	41.3	283.0	334.9	(48.8)	354.8	270.4
Interest expense ⁽⁴⁾	(75.5)	(78.7)	(309.9)	(334.5)	(321.7)	(307.4)	(505.4)
Loss from the change in the fair value of the equity conversion feature of preferred stock						(12.7)	(101.6)
Net income (loss) from continuing operations	78.1	(42.0)	(69.2)	67.6	(318.3)	(36.3)	(367.0)
Income (loss) from discontinued operations, net of tax	500.8	302.8	342.4	(101.5)	(194.1)	138.0	298.0
Net income (loss) ⁽⁵⁾	578.9	260.8	273.2	(33.9)	(512.4)	101.7	(69.0)
Net income (loss) attributable to controlling interest	507.4	212.2	106.0	(198.8)	(556.8)	(10.3)	(45.8)
Preferred stock dividends, accretion and loss on conversion						73.6	48.4
Net income (loss) attributable to common and participating preferred stockholders	507.4	212.2	106.0	(198.8)	(556.8)	(83.9)	(94.2)
Amounts attributable to controlling interest: Net loss from continuing operations	28.8	(47.2)	(121.1)	(45.8)	(299.3)	(194.7)	(392.2)
Net income (loss) from discontinued operations	478.6	259.4	227.1	(153.0)	(257.5)	110.8	298.0
Net income (loss) attributable to controlling interest	\$ 507.4	\$ 212.2	\$ 106.0	\$ (198.8)	\$ (556.8)	\$ (83.9)	\$ (94.2)
Per Share Data⁽¹⁾:							
Net income (loss) per common share:							
Basic loss from continuing operations	0.14	(0.24)	(0.61)	(0.23)	(1.51)	(1.19)	(2.80)
Basic income (loss) from discontinued operations	2.39	1.30	1.14	(0.77)	(1.30)	0.68	2.13
Basic	\$ 2.53	\$ 1.06	\$ 0.53	\$ (1.00)	\$ (2.81)	\$ (0.51)	\$ (0.67)

Diluted loss from continuing operations ⁽⁶⁾	0.14	(0.24)	(0.61)	(0.23)	(1.51)	(1.19)	(2.80)
Diluted income (loss) from discontinued operations ⁽⁶⁾	2.37	1.30	1.14	(0.77)	(1.30)	0.68	2.13
Diluted	\$ 2.51	\$ 1.06	\$ 0.53	\$ (1.00)	\$ (2.81)	\$ (0.51)	\$ (0.67)

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Balance Sheet Data:	As of December 31,		As of September 30,				
	2017	2016	2017	2016	2015	2014	2013
Total assets	\$ 9,080.0	\$ 35,662.7	\$ 35,849.7	\$ 33,580.1	\$ 32,594.4	\$ 30,394.0	\$ 28,200.4
Total debt	5,822.9	5,459.0	5,705.1	5,465.6	6,046.9	4,908.4	4,620.4
Total shareholders equity	1,627.6	1,669.4	1,946.9	1,817.2	1,588.1	2,257.0	1,133.5

- (1) FGL and Front Street, HRG's former subsidiaries (collectively, the Insurance Operations) are classified as discontinued operations for all periods presented. In addition, following the completion of the sale of Compass Production Partners, LP, HRG's former subsidiary (Compass), in Fiscal 2016, HRG no longer owns, directly or indirectly, any oil and gas properties and as a result, the results of Compass were presented as discontinued operations for Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013. In addition, cash and cash equivalents excludes the cash and cash equivalents from the Insurance Operations (businesses classified as held for sale) and Compass.
- (2) Fiscal 2017 operating results include the PetMatrix business operations since June 1, 2017 and GloFish business operations since May 12, 2017. Fiscal 2015 operating results include the AAG business operations since the acquisition date of May 21, 2015, Salix operations since the acquisition date of January 16, 2015; European IAMS and Eukanuba pet food business operations since the acquisition date of December 31, 2014; and Tell operations since the acquisition date of October 1, 2014. The AAG business contributed \$160.5 million in revenues and recorded an operating profit of \$21.8 million for the period from May 21, 2015 through September 30, 2015. Fiscal 2014 operating results include the Liquid Fence Company (Liquid Fence) operations since the acquisition date of January 2, 2014. Fiscal 2013 operating results includes the HHI business operations since the acquisition date of December 17, 2012. The HHI business contributed \$869.6 million in revenues and recorded an operating profit of \$88.7 million for the period from December 30, 2012 through September 30, 2013.
- (3) In Fiscal 2017, operating income included an impairment of indefinite-lived intangible assets of \$16.3 million. In Fiscal 2016, HRG recorded a loan loss provision of \$12.8 million for credit losses on Salus asset-based loan portfolio and impairments of \$10.7 million to goodwill of CorAmerica Capital, LLC, HRG's former subsidiary (CorAmerica). In addition, a \$2.7 million impairment on indefinite-lived intangible asset was recorded due to the reduction in value of certain tradenames in response to changes in Spectrum's strategy. In Fiscal 2015, HRG recorded \$88.0 million loan loss provision related to deterioration in Salus asset-based loan portfolio, including \$60.7 million related to the bankruptcy of RadioShack Corporation (RadioShack), a former Salus borrower. HRG also recorded impairments of \$60.2 million to goodwill and the intangible assets as a result of the change of strategic direction of HRG's former subsidiary, Frederick's of Hollywood Group Inc. (FOH). In April 2015, FOH, its parent company, FOHG Holdings, LLC and their subsidiaries (together, FOHG) filed for bankruptcy, and any remaining assets and liabilities were deconsolidated. Upon deconsolidation, HRG recognized a gain of \$38.5 million, primarily resulting from the elimination of FOH's cumulative historical losses. Following the completion of the bankruptcy of FOHG, such entities ceased to be subsidiaries of HRG. Fiscal 2015 also includes \$61.1 million of acquisition and integration-related charges, a portion of which was associated with the AAG business acquisition. Fiscal 2013 includes \$53.2 million of acquisition and integration-related charges principally associated with the HHI business acquisition.
- (4) Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013 interest expenses included \$6.5 million, \$21.4 million, \$58.8 million, \$9.2 million and \$210.1 million, respectively, related to the refinancing, prepayment and/or amendment of various senior debt. Such charges include cash fees and expenses of \$4.6 million, \$15.6 million, \$46.0 million, \$0.0 million and \$181.2 million, respectively, and non-cash charges for write-off and accelerated amortization of unamortized debt issuance costs and discount/premium of \$1.9 million, \$5.8 million, \$12.8 million, \$9.2 million and \$28.9 million, respectively.

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- (5) Fiscal 2017, Fiscal 2016, Fiscal 2015, Fiscal 2014 and Fiscal 2013 income tax expense of \$38.1 million, \$58.4 million, \$1.3 million, \$59.3 million and \$26.3 million, respectively, include non-cash charges (benefits) of approximately \$79.6 million, \$(45.7) million, \$190.8 million, \$(31.0) million and \$152.9 million, respectively, resulting primarily from an increase (decrease) in the valuation allowance against certain net deferred tax assets.
- (6) See Exhibit 99.6 Note 24, Earnings per Share, to the Consolidated Financial Statements included in HRG's Current Report on Form 8-K filed on April 2, 2018 for further details regarding the calculation of net income (loss) per common share. In Fiscal 2014, diluted weighted average common shares outstanding did not reflect the conversion effect of the HRG Series A Preferred Stock and HRG's Series A-2 Participating Convertible Preferred Stock together with the HRG Series A Preferred Stock, the HRG Preferred Stock) for the portion of the period that these securities were outstanding, or the exercise of dilutive common stock equivalents as both would be antidilutive. In Fiscal 2013, diluted weighted average common shares outstanding did not reflect any conversion effect of the HRG Preferred Stock or the exercise of dilutive common stock equivalents as both would be antidilutive. For Fiscal 2017, Fiscal 2016 and Fiscal 2015, the conversion effect of the HRG Preferred Stock had no impact on the diluted weighted average common shares as the HRG Preferred Stock was converted in the third quarter of Fiscal 2014.

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SELECTED SPECTRUM AND HRG UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following selected unaudited pro forma condensed consolidated financial data (the Selected Pro Forma data) give effect to the Merger. The Merger will be accounted for as an acquisition of a non-controlling interest under ASC 810-10. In accounting for the Merger, HRG will apply its historical accounting policies and recognize the assets and liabilities of Spectrum at their respective historical values as of the closing date of the Merger.

The selected unaudited pro forma condensed consolidated statement of financial position data at December 31, 2017 are presented on a basis to reflect the Merger as if it had occurred on December 31, 2017. The selected unaudited pro forma condensed consolidated statements of income data for the year ended September 30, 2017 and the quarter ended December 31, 2017 are presented on a basis to reflect the Merger as if it had occurred on October 1, 2016.

The Selected Pro Forma data has been derived from, and should be read in conjunction with, the more detailed unaudited pro forma condensed consolidated financial statements appearing elsewhere in this joint proxy statement/prospectus and the accompanying notes to the unaudited pro forma condensed consolidated financial statements. In addition, the Selected Pro Forma data are based on, and should be read in conjunction with, HRG's historical audited consolidated financial statements and notes thereto included in HRG's Current Report on Form 8-K dated March 30, 2018, HRG's historical unaudited consolidated financial statements included in HRG's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017, Spectrum's historical audited consolidated financial statements and notes thereto included in Spectrum's Current Report on Form 8-K dated March 30, 2018 and Spectrum's historical unaudited consolidated financial statements contained in Spectrum's Quarterly Report on Form 10-Q for the quarter ended December 31, 2017.

HRG's historical consolidated financial information has been adjusted in the Selected Pro Forma data to give effect to pro forma events that are (i) directly attributable to the Merger, (ii) factually supportable, and (iii) with respect to the selected unaudited pro forma condensed consolidated statement of operations data, expected to have a continuing impact on results. The Selected Pro Forma data do not include any adjustments related to cost savings, operating synergies, tax benefits or revenue enhancements (or the necessary costs to achieve such benefits) that are expected to result from the Merger.

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The pro forma adjustments are based upon available information and assumptions that management believes reasonably reflect the Merger. The Selected Pro Forma data are provided for illustrative purposes only and do not purport to represent what actual results of operations or the consolidated financial position would have been had the Merger occurred on the date assumed, nor are they necessarily indicative of future consolidated results of operations or financial position.

	For the Three Months Ended December 31, 2017	For the Fiscal Year Ended September 30, 2017
Income Statement Data (In millions, except per share data):		
Revenues	\$ 646.5	\$ 3,010.6
Operating income (loss)	32.8	305.4
Interest expense	(75.5)	(309.9)
Net income (loss) from continuing operations	82.1	(54.6)
Income (loss) from discontinued operations, net of tax	500.8	342.4
Net income (loss)	582.9	287.8
Net income (loss) attributable to controlling interest	576.6	242.9
Net income (loss) attributable to common and participating preferred stockholders	576.6	242.9
Amounts attributable to controlling interest: Net loss from continuing operations	81.4	(48.8)
Net income (loss) from discontinued operations	495.2	291.7
Net income (loss) attributable to controlling interest	\$ 576.6	\$ 242.9
Per Share Data:		
Net income (loss) per common share:		
Basic loss from continuing operations	1.46	(0.86)
Basic income (loss) from discontinued operations	8.84	5.14
Basic	\$ 10.30	\$ 4.28
Diluted loss from continuing operations	1.45	(0.86)
Diluted income (loss) from discontinued operations	8.81	5.14
Diluted	\$ 10.26	\$ 4.28
Balance Sheet Data (In millions):		
	As of December 31, 2017	
Total assets	\$ 9,431.3	
Total debt	5,822.9	

Total shareholders equity	1,931.5
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The following table sets forth selected historical and unaudited pro forma per share information for Spectrum and HRG.

Historical Per Share Information of Spectrum and HRG. The historical per share information of each of Spectrum and HRG below is derived from the audited consolidated financial statements of each of Spectrum and HRG as of, and for the year ended, September 30, 2017 and the unaudited consolidated financial statements of each of Spectrum and HRG as of, and for the three months ended, December 31, 2017. The historical book value per share is computed by dividing stockholders' equity by the number of shares of common stock outstanding at the end of the period.

Unaudited Pro Forma per Share Data. The unaudited pro forma per share data set forth below gives effect to the Merger and the Reverse Stock Split as if they had been completed on October 1, 2016, the first day of HRG's fiscal year ended September 30, 2017. The pro forma net income per share from continuing operations is computed by dividing the pro forma net income from continuing operations by the pro forma weighted average number of shares outstanding, as recalculated below. Based on (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment, each HRG shareholder is expected to receive approximately 0.1623 of a share of the post-Merger combined company stock for each share of pre-Merger HRG Common Stock that such shareholder owns. Each Spectrum shareholder, other than HRG, will receive one share of post-Merger HRG Common Stock for each share of pre-merger Spectrum Common Stock that such shareholder owns. Each Spectrum stockholder, other than HRG, will receive one share of the post-Merger HRG Common Stock for each share of pre-Merger Spectrum Common Stock that such stockholder owns. The pro forma book value per share is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period. The pro forma book value per share is computed as if the Merger had been completed on October 1, 2016.

The unaudited pro forma per share data is derived from the audited consolidated financial statements of each of HRG and Spectrum as of, and for the year ended, September 30, 2017, and the unaudited consolidated financial statements of each of HRG and Spectrum as of, and for the three months ended, December 31, 2017.

The unaudited pro forma per share data does not purport to represent the actual results of operations that HRG would have achieved had the companies been combined during these periods or to project the future results of operations that HRG may achieve after completion of the Merger.

Unaudited Equivalent Pro Forma per Share Data for Spectrum. The unaudited equivalent per share data for Spectrum is not presented. The unaudited equivalent per share data for Spectrum would be identical to the unaudited pro forma per share amounts because the Merger Exchange Ratio is equal to one share of HRG Common Stock for each share of Spectrum Common Stock.

Generally. You should read the below information in conjunction with the selected historical consolidated financial information included elsewhere in this joint proxy statement/prospectus and the historical consolidated financial statements of Spectrum and HRG and related notes that have been filed with the SEC, certain of which are incorporated by reference into this joint proxy statement/prospectus. See *Selected Historical Consolidated Financial Data of Spectrum*, *Selected Historical Consolidated Financial Data of HRG* and *Where You Can*

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Find More Information. The unaudited pro forma per share data and the unaudited equivalent pro forma per share data for HRG is derived from, and should be read in conjunction with, the Spectrum and HRG unaudited pro forma condensed consolidated financial statements and related notes included in this joint proxy statement/prospectus. See *Spectrum and HRG Unaudited Pro Forma Condensed Consolidated Financial Statements*.

The pro forma per share data is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the Merger had been completed as of the beginning of the periods presented, nor is it necessarily indicative of the future operating results or financial position of HRG. The pro forma per share data, although helpful in illustrating the financial characteristics of HRG under one set of assumptions, does not reflect the benefits of expected cost savings, opportunities to earn additional revenue, the impact of restructuring, or other factors that may result as a consequence of the Merger and, accordingly, does not attempt to predict or suggest future results.

	As of/For the Three Months Ended December 31, 2017	As of/For the Year Ended September 30, 2017
Spectrum Historical per Common Share Data:		
Net income from continuing operations basic	\$ 2.07	\$ 2.13
Net income from continuing operations diluted	\$ 2.07	\$ 2.12
Cash dividends paid	\$ 0.42	\$ 1.64
Book value	\$ 33.93	\$ 31.91
HRG Historical per Common Share Data:		
Net income (loss) from continuing operations basic	\$ 0.14	\$ (0.61)
Net income (loss) from continuing operations diluted	\$ 0.14	\$ (0.61)
Cash dividends paid	\$	\$
Book value	\$ 4.09	\$ 3.78
Unaudited Pro Forma per Share Data:		
Net income (loss) from continuing operations basic	\$ 1.46	\$ (0.86)
Net income (loss) from continuing operations diluted	\$ 1.45	\$ (0.86)
Cash dividends paid	\$ 0.43	\$ 1.69
Book value	\$ 34.24	N/A

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The following table sets forth, for the calendar periods indicated, the high and low sales prices per share of Spectrum Common Stock and per share of HRG Common Stock as reported by the NYSE. The Spectrum Common Stock is traded on the NYSE under the symbol SPB, and the HRG Common Stock is traded on the NYSE under the symbol HRG.

	Spectrum Common Stock		HRG Common Stock	
	High	Low	High	Low
Fiscal 2016:				
Three months ended December 31, 2015	\$ 103.57	\$ 89.87	\$ 14.11	\$ 11.63
Three months ended March 31, 2016	\$ 110.39	\$ 87.65	\$ 14.04	\$ 10.28
Three months ended June 30, 2016	\$ 122.52	\$ 106.91	\$ 14.59	\$ 12.50
Three months ended September 30, 2016	\$ 138.94	\$ 114.63	\$ 16.39	\$ 13.14
Fiscal 2017:				
Three months ended December 31, 2016	\$ 138.10	\$ 113.95	\$ 16.08	\$ 14.07
Three months ended March 31, 2017	\$ 143.20	\$ 118.93	\$ 19.50	\$ 15.19
Three months ended June 30, 2017	\$ 146.09	\$ 122.79	\$ 20.17	\$ 17.25
Three months ended September 30, 2017	\$ 126.69	\$ 102.27	\$ 17.90	\$ 14.74
Fiscal 2018:				
Three months ended December 31, 2017	\$ 117.25	\$ 98.11	\$ 17.73	\$ 14.22
Three months ended March 31, 2018	\$ 126.66	\$ 89.36	\$ 19.19	\$ 14.30
Three months ending June 30, 2018 (through April 4, 2018)	\$ 103.05	\$ 95.74	\$ 16.40	\$ 15.29

The following table sets forth the closing sale prices per share of Spectrum Common Stock and HRG Common Stock as reported on the NYSE as of February 23, 2018, the last trading day before the public announcement of the Merger Agreement, and as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus. The table also shows the equivalent implied value of a share of HRG Common Stock on each of the dates, which has been determined by multiplying the market price of a share of Spectrum Common Stock on each of the dates by the Share Combination Ratio, calculated based on (i) the 20-trading-day volume-weighted average share price per share of Spectrum Common Stock ending on April 4, 2018, (ii) the number of shares of Spectrum Common Stock outstanding, the number of shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of such date, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment.

	Spectrum Share	HRG Share	Implied Value of HRG Share
February 23, 2018	\$ 103.61	\$ 15.90	\$ 16.96
April 4, 2018	\$ 99.44	\$ 15.82	\$ 16.14

The market prices of Spectrum Common Stock and HRG Common Stock have fluctuated since the date of the announcement of the Merger Agreement and will continue to fluctuate from the date of this joint proxy statement/prospectus to the date of the Spectrum Special Meeting and the HRG Special Meeting and the date the

Merger is consummated and thereafter. No assurance can be given concerning the market prices of Spectrum Common Stock or HRG Common Stock.

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Dividends

Spectrum currently pays a quarterly dividend on shares of Spectrum Common Stock and last paid a dividend on March 13, 2018, of \$0.42 per share. Under the terms of the Merger Agreement, during the period before the Effective Time, Spectrum is permitted to make its regular quarterly cash dividend payment not in excess of \$0.42 per share per quarter, provided the record date is not more than four business days prior to the anniversary of the record date of Spectrum's regular quarterly dividend for the corresponding quarter of the prior fiscal year, but is not permitted to declare, set aside or pay any other dividend or distribution.

HRG does not currently pay dividends on its shares. Under the terms of the Merger Agreement, during the period before the Effective Time, HRG is not permitted to declare, set aside or pay any dividend or other distribution.

After the Effective Time, former Spectrum stockholders who hold shares of HRG Common Stock into which their shares of Spectrum Common Stock have been converted in connection with the Merger will receive whatever dividends are declared and paid on shares of HRG Common Stock. However, no dividend or other distribution having a record date after the Effective Time will actually be paid with respect to any HRG Common Stock into which shares of Spectrum Common Stock have been converted in connection with the Merger until the certificates formerly representing shares of Spectrum Common Stock have been surrendered (or the book-entry shares formerly representing shares of Spectrum Common Stock have been transferred), at which time any accrued dividends and other distributions on those shares of HRG Common Stock will be paid without interest.

Subject to the limitations set forth in the Merger Agreement described above, any future dividends by Spectrum or HRG will be made at the discretion of the board of directors of Spectrum or HRG, as applicable. It is expected that, following the Merger, HRG will continue Spectrum's current dividend practice. However, there can be no assurance that any future dividends will be declared or paid by Spectrum or HRG or as to the amount or timing of those dividends, if any.

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*In addition to the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed under **Cautionary Statement Regarding Forward-Looking Statements** of this joint proxy statement/prospectus, Spectrum stockholders should carefully consider the following risks in deciding whether to vote for the approval of the Spectrum Proposals, and HRG stockholders should carefully consider the following risks in deciding whether to vote for the approval of the HRG Proposals. Descriptions of some of these risks can be found in the Annual Reports of Spectrum and HRG on Form 10-K for the fiscal year ended September 30, 2017, and any amendments thereto, as such risks may be updated or supplemented in each company's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which are incorporated by reference into this joint proxy statement/prospectus. You should read carefully this entire joint proxy statement/prospectus and its annexes and exhibits and the other documents incorporated by reference into this joint proxy statement/prospectus. See also **Where You Can Find More Information**.*

Risks Related to the Merger

Because the market price of shares of HRG Common Stock and Spectrum Common Stock will fluctuate, HRG stockholders cannot be sure of the value of their shares following the Merger and Spectrum stockholders cannot be sure of the value of the Merger Consideration they will receive pursuant to the Merger Agreement.

In the Merger, each of the outstanding shares of HRG Common Stock will, by means of the Reverse Stock Split, be combined into a fraction of a share of HRG Common Stock equal to (i) (a) the number of shares of Spectrum Common Stock held by HRG and its subsidiaries as of immediately prior to the Effective Time, minus (b) (1) the sum of (x) HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing, minus (y) \$200,000,000, divided by (2) the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date, divided by (ii) as of immediately prior to the Reverse Stock Split, the sum of (without duplication) (a) the aggregate number of issued and outstanding shares of HRG Common Stock, (b) (1) the aggregate number of shares of HRG Common Stock subject to then-unexercised HRG stock options and warrants, minus (2) the number of shares of HRG Common Stock having a then-aggregate value equal to the aggregate exercise price of such unexercised HRG stock options and warrants, and (c) the number of shares of HRG Common Stock subject to HRG restricted stock awards, vested in full in accordance with terms of the Merger Agreement. Thereafter, each Spectrum share issued and outstanding immediately prior to the Effective Time will be converted into, subject to certain exceptions, into the right to receive one share of HRG Common Stock.

Based on (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment, the 0.1623 of a share of HRG Common Stock that the HRG stockholders are expected to hold after the Merger in respect of each share of HRG Common Stock they held immediately prior to the Effective Time would have a value of approximately \$16.14.

The exact value of the shares of HRG Common Stock that the Spectrum and HRG stockholders will hold after the Merger will not be known at the time of the Spectrum Special Meeting or the HRG Special Meeting and may be greater than, the same as or less than the current prices at the time of the Spectrum Special Meeting or the HRG Special Meeting. The market prices of Spectrum Common Stock and HRG Common Stock are subject to general price

fluctuations in the market for publicly traded equity securities and have experienced volatility in the past. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in the respective businesses, operations and prospects of Spectrum and HRG, and an evolving regulatory landscape. Market assessments of the benefits of the Merger and the likelihood that the

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Merger will be consummated, as well as general and industry specific market and economic conditions, may also impact market prices of Spectrum Common Stock and HRG Common Stock. Many of these factors are beyond Spectrum's and HRG's control. You should obtain current market price quotations for Spectrum Common Stock and for HRG Common Stock, but as indicated above, the prices at the time the Merger is consummated may be greater than, the same as or less than such price quotations.

The Merger Agreement and Amended HRG Charter contain restrictions on the amount of HRG Common Stock that may be issued in the Merger.

In order to preserve HRG's ability to utilize certain tax attributes, no HRG Common Stock will be issued in the Merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become, or be treated under the Amended HRG Charter as becoming a holder of more than 4.9% of Corporation Securities (as defined in the Amended HRG Charter). Any shares of HRG Common Stock that would be issuable to a Spectrum stockholder but for the operation of the Merger Agreement and the provisions of Article XIII of the Amended HRG Charter will instead be treated as Excess Securities (as defined in Article XIII of the Amended HRG Charter) and be delivered to one or more charitable organizations described in Section 501(c)(3) of the Code or escheated to the state of residence, incorporation or formation (as applicable) of the relevant Spectrum stockholder.

Because the Share Combination Ratio is not fixed and will vary with market prices, among other things, the number of shares of HRG Common Stock to be received by holders of HRG Common Stock in the Reverse Stock Split, and therefore the portion of HRG following the Merger represented by the shares of HRG Common Stock issued to Spectrum stockholders in the Merger, will change between now and the time the Merger is consummated.

The exact value of the shares of HRG Common Stock to be received by the HRG stockholders and the Spectrum stockholders will depend in part on the trading prices of the Spectrum Common Stock and the HRG Common Stock at the Effective Time. In the Merger, each outstanding share of HRG Common Stock will, by means of the Reverse Stock Split, be combined into a fraction of a share of HRG Common Stock equal to the Share Combination Ratio, which will be determined by calculating, among other things, the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date. For additional information, see *The Merger Consideration To Be Received by the Spectrum Stockholders and Consequences of the Reverse Stock Split*.

The Merger Agreement is subject to certain conditions; the Merger may not be consummated on the terms or timeline currently contemplated, or at all, and the Merger Agreement may be terminated in accordance with its terms.

The Merger Agreement contains a number of conditions that must be fulfilled or, to the extent permitted by applicable law or the Merger Agreement, waived, to consummate the Merger. Those conditions include: (i) the approval of the Spectrum Merger Proposal by the Spectrum stockholders (see section entitled *Spectrum Proposals Spectrum Proposal 1: The Spectrum Merger Proposal* for a discussion on the Spectrum Merger Proposal), (ii) the approval of the HRG Required Proposals by HRG stockholders (see section entitled *The HRG Special Meeting* for a discussion on the HRG Required Proposals), (iii) the absence of any applicable law or order being in effect restraining, enjoining, prohibiting or making illegal the consummation of the proposed Merger, (iv) the effectiveness of the registration statement on Form S-4 of which this joint proxy statement/prospectus is a part, and the absence of any stop order issued by the SEC suspending the effectiveness of the Form S-4, (v) the listing on the NYSE of the shares of HRG Common Stock to be issued to the Spectrum stockholders in the Merger, subject to official notice of issuance, (vi) the receipt of a tax opinion by Spectrum and/or HRG that the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, (vii) the accuracy of certain representations and warranties of Spectrum, Merger Sub

and HRG contained in the Merger Agreement and the performance in all material respects by the parties of the covenants contained in the

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Merger Agreement, (viii) the absence of a material adverse effect on either party since the date of the Merger Agreement (see section entitled **Definition of Material Adverse Effect** for a discussion on the meaning of material adverse effect) and (ix) other conditions specified in the Merger Agreement.

Spectrum and HRG cannot assure that the Merger will be consummated on the terms or timeline currently contemplated or at all. Many of the conditions to the closing of the Merger are not within the control of Spectrum or HRG, and neither company can predict when or if these conditions will be satisfied. The failure to meet all of the required conditions could delay the completion of the Merger for a significant period of time or prevent it from occurring. Any delay in completing the Merger could cause each of Spectrum and HRG to incur additional costs and expenses and/or not to realize some or all of the benefits that each expects to achieve if the Merger is successfully completed within its expected timeframe.

In addition, if the Merger is not consummated by October 8, 2018, either Spectrum or HRG may choose not to proceed with the Merger. Spectrum or HRG may also terminate the Merger Agreement in certain other circumstances. Specifically, Spectrum may terminate the Merger Agreement if the HRG board of directors makes a change of recommendation and HRG may terminate the Merger Agreement if the Spectrum board of directors makes a change of recommendation. The parties can also mutually decide to terminate the Merger Agreement at any time prior to the consummation of the Merger, whether before or after the Spectrum stockholder approval or the HRG stockholder approval. See *The Transaction Agreements Description of the Merger Agreement Termination of the Merger Agreement*.

The Merger Agreement contains provisions that restrict the ability of the HRG board of directors or the Spectrum board of directors to pursue alternatives to the Merger and to change its recommendation that HRG stockholders or Spectrum stockholders, as applicable, vote for the approval of the Merger and the related proposals.

Under the Merger Agreement, HRG and Spectrum are restricted, subject to certain exceptions, from soliciting, initiating, knowingly facilitating or negotiating, or furnishing non-public information with regard to, any inquiry, proposal or offer for an alternative business combination transaction from a third party. However, the foregoing restrictions do not apply to any inquiry, proposal or offer with respect to (i) any transaction that relates specifically to the battery or appliances business of Spectrum and its subsidiaries or (ii) any other transaction that would not reasonably be expected to prevent or materially delay or make more unlikely to occur the consummation of the Merger and the other transactions contemplated by the Merger Agreement, so long as Spectrum keeps HRG informed on a reasonably current basis of the status of such transaction. Further, subject to the parties' rights to terminate the Merger Agreement, each party has agreed to use reasonable best efforts to submit the Merger in the manner described in this joint proxy statement/prospectus to a vote of its stockholders for approval notwithstanding any change in recommendation by its board of directors.

Each of HRG and Spectrum may terminate the Merger Agreement upon a change in recommendation by the other party's board of directors. These provisions could discourage a third party that may have an interest in acquiring all or a significant part of HRG or Spectrum from considering or proposing an alternative business combination transaction with HRG or Spectrum. If HRG stockholders approve the HRG Required Proposals at the HRG Special Meeting or if Spectrum stockholders approve the Spectrum Merger Proposal at the Spectrum Special Meeting, HRG or Spectrum, as applicable, will be restricted under the terms of the Merger Agreement (without exception) from having any discussions or negotiations with any third party that may have an interest in entering into an alternative business combination transaction with HRG or Spectrum, as applicable. See *The Transaction Agreements Description of the Merger Agreement Termination of the Merger Agreement*.

The pendency of the Merger could materially adversely affect the business, financial condition, results of operations or cash flows of Spectrum.

Uncertainty about the effect of the Merger on stockholders, customers, suppliers and employees may have an adverse effect on Spectrum. Some stockholders, customers, suppliers, employees and others who deal with

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Spectrum may seek to change existing relationships with Spectrum or delay decisions to continue or expand their relationships with the companies. Current and prospective employees may experience uncertainty about their future roles, which may affect Spectrum's ability to attract, retain and motivate key personnel. If employees depart because of issues related to the uncertainty and difficulty of integration or a desire not to remain with the businesses, HRG following the Merger could face disruptions in its operations, loss of expertise or know-how, and unanticipated additional recruitment and training costs. In addition, the loss of key personnel could diminish the anticipated benefits of the Merger. Any such negative impact would adversely effect HRG as the largest stockholder of Spectrum prior to the Merger or as the surviving entity following the completion of the Merger.

HRG and Spectrum are subject to restrictive interim operating covenants during the pendency of the Merger.

HRG and Spectrum are subject to contractual restrictions while the Merger is pending, which could adversely affect their respective businesses and operations. These restrictions may prevent HRG from taking certain actions before the closing of the Merger or the termination of the Merger Agreement and adversely affect HRG's ability to execute certain of its business strategies, including HRG share repurchases, certain actions relating to material contracts, certain employee benefit changes, certain capital expenditures, payments of dividends, pledges of capital stock, liquidation or dispositions and mergers or otherwise pursuing certain business opportunities, or making certain changes to its capital stock, that the HRG board of directors may deem beneficial. Although less restrictive than those imposed on HRG, the Merger Agreement does impose certain restrictive interim covenants on Spectrum. These restrictions may prevent Spectrum from taking certain actions before the closing of the Merger or the termination of the Merger Agreement and adversely affect Spectrum's ability to execute certain of its business strategies, including Spectrum's payment of dividends (other than its ordinary course dividend of up to \$0.42 per share per calendar quarter), issuance of capital stock, making certain acquisitions or otherwise pursuing certain business opportunities (other than a transaction that relates specifically to the battery or appliances business of Spectrum and its subsidiaries), or making certain changes to its capital stock, that the Spectrum board of directors may deem beneficial. See *The Transaction Agreements Description of the Merger Agreement Conduct of Business Pending the Merger*.

Spectrum and HRG directors and officers have interests in the Merger that may be different from, or in addition to, the interests of Spectrum stockholders and HRG stockholders.

In considering the recommendation of the Spectrum board of directors, Spectrum stockholders should be aware that certain of Spectrum's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of Spectrum's stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. These interests include, but are not limited to, the continued service of certain directors of Spectrum as directors of HRG, the continued employment of certain executive officers of Spectrum by HRG following the Merger, the treatment in the Merger of equity award and provisions in the Merger Agreement regarding continued indemnification of and advancement of expenses to Spectrum directors and officers. The members of the Spectrum Special Committee and the Spectrum board of directors were aware of these interests and considered them, among others, in their authorization, approval and adoption of the Merger Agreement, the Merger and the other transactions contemplated thereby and their recommendation that Spectrum's stockholders adopt the Merger Agreement and approve the Merger and the transactions contemplated thereby. See *The Merger Background of the Merger, The Merger Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors* and *The Merger Interests of Spectrum's Directors and Officers in the Merger* for further discussion of these matters.

In considering the recommendation of the HRG board of directors, HRG stockholders should be aware that certain of HRG's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of HRG's stockholders generally, including as a result of their relationships with Leucadia or Fortress. These interests

may present such executive officers and directors with actual or potential conflicts of interest. The members of the HRG board of directors were aware of and considered these interests relating to

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HRG, among other matters, in evaluating the Merger Agreement and the Merger, and in recommending that HRG stockholders approve the HRG Required Proposals. See *The Merger Background of the Merger*, *The Merger HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors* and *The Merger Interests of HRG's Directors and Officers in the Merger* for further discussion of these matters.

Leucadia and Fortress have interests in the Merger that may be different from, or in addition to, the interests of Spectrum stockholders and HRG stockholders.

In considering the recommendation of the HRG board of directors, HRG stockholders should be aware that Leucadia and Fortress have interests in the Merger that may be different from, or in addition to, those of HRG's stockholders generally. The members of the HRG board of directors were aware of and considered these interests relating to HRG, among other matters, in evaluating the Merger Agreement and the Merger, and in recommending that HRG stockholders approve the HRG Required Proposals. See *The Merger Interests of HRG's Directors and Officers in the Merger Rights of Certain Stockholders* for further discussion of these matters.

The HRG Common Stock following the Reverse Stock Split and the Merger will have different rights from the HRG Common Stock and the Spectrum Common Stock prior to the Reverse Stock Split and the Merger.

Upon consummation of the Reverse Stock Split and the Merger, the rights of former holders of HRG Common Stock will be governed by the Amended HRG Charter, the Amended HRG Bylaws and Delaware law. The rights currently associated with HRG Common Stock or Spectrum Common Stock are different from the rights that will be associated with HRG Common Stock following the Reverse Stock Split and the Merger. For a discussion of the different rights currently associated with HRG Common Stock and Spectrum Common Stock and to be associated with HRG Common Stock following the Reverse Stock Split and the Merger, see *Comparison of Stockholder Rights and Risks Related to Our Business Certain provisions of the Amended HRG Charter, the Amended HRG Bylaws and of the DGCL will have anti-takeover effects and could delay, discourage, defer or prevent a tender offer or takeover attempt that a stockholder might consider to be in the stockholder's best interests.*

Following the consummation of the Merger, the composition of the HRG board of directors will be different than the composition of the current Spectrum board of directors and the current HRG board of directors.

Upon consummation of the Merger, the composition of the HRG board of directors will be different than the current Spectrum board of directors and the current HRG board of directors. Upon the consummation of the Merger, the HRG board of directors will consist of all of the directors of the Spectrum board of directors immediately prior to the closing (other than Mr. Zargar who will resign from the Spectrum board of directors immediately prior to the closing) and an independent director designated by Leucadia. This new composition of the HRG board of directors may affect the future decisions of HRG.

Leucadia and Fortress will be significant stockholders of HRG following the Merger and if a large percentage of their holdings were sold or otherwise disposed of, the stock price of the shares of HRG Common Stock could decline.

At the closing of the Merger, Leucadia and Fortress are expected to beneficially own approximately 14% and 10% of outstanding shares of HRG Common Stock, respectively, based on (i) their beneficial ownership of approximately 23% and 16% of the shares of HRG Common Stock as of April 4, 2018, respectively, (ii) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of

shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iv) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (v) a \$200.0 million upward adjustment. Pursuant to the

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Amended HRG Charter, Leucadia and Fortress will be subject to certain transfer restrictions as further discussed in *Comparison of Stockholder Rights*, and pursuant to the Post-Closing Stockholder Agreement, Leucadia will be subject to certain transfer restrictions as further discussed in *The Transaction Agreements Description of the Post-Closing Stockholder Agreement*. If in compliance with such restrictions or after their expiration, Leucadia or Fortress were to sell or otherwise transfer all or a large percentage of its holdings, the stock price of HRG Common Stock could decline.

The opinions of the financial advisors to the Spectrum Special Committee and the HRG board of directors do not reflect changes in circumstances that may have occurred or that may occur between the signing of the Merger Agreement and the closing of the Merger.

The opinion rendered to the Spectrum Special Committee by Moelis and the opinion rendered to the HRG board of directors by J.P. Morgan were provided in connection with, and at the time of, Spectrum Special Committee's and the HRG board of directors' respective evaluation of the Merger. Neither the Spectrum Special Committee nor the HRG board of directors has obtained updated opinions from their respective financial advisors as of the date of this joint proxy statement/prospectus or as of any other date, nor will either receive updated, revised or reaffirmed opinions prior to the consummation of the Merger. Changes in the operations and prospects of Spectrum or HRG, general market and economic conditions and other factors that may be beyond the control of Spectrum or HRG, and on which Moelis and J.P. Morgan's opinions were based, may significantly alter the value of Spectrum or HRG or the prices of Spectrum Common Stock or HRG Common Stock by the time the Merger is consummated. The opinions do not speak as of the time the Merger will be consummated or as of any date other than the date of such opinions. Because Moelis and J.P. Morgan will not be updating their opinions, the opinions do not address the fairness of the Merger Consideration or the Share Combination Ratio, respectively, from a financial point of view, at any time other than the time such opinions were issued, even though the Spectrum board of directors' recommendation, based on the Spectrum Special Committee's unanimous recommendation, that Spectrum stockholders vote **FOR** the Spectrum Proposals and the HRG board of directors' recommendation that HRG stockholders vote **FOR** the HRG Proposals are made as of the date of this joint proxy statement/prospectus. For a description of the opinions that the Spectrum Special Committee received from Moelis and the HRG board of directors received from J.P. Morgan, see *The Merger Opinion of the Spectrum Special Committee's Financial Advisor* and *The Merger Opinion of HRG's Financial Advisor*.

Failure to consummate the Merger could negatively impact respective future stock prices, operations and financial results of Spectrum and HRG.

If the Merger is not consummated for any reason, Spectrum and HRG may be subjected to a number of material risks. The price of Spectrum Common Stock and the price of HRG Common Stock may decline to the extent that their current market prices reflect a market assumption that the Merger will be consummated and will be beneficial to the value of the business of HRG following the Merger. In addition, some costs related to the Merger must be paid by Spectrum and HRG whether or not the Merger is consummated. Furthermore, Spectrum and HRG may experience negative reactions from their respective stockholders, customers, suppliers and employees if the Merger is not consummated.

Furthermore, if the Merger is not consummated, HRG may undertake a new strategic review process to search for alternative ways to optimize stockholder value, and such alternatives may differ significantly from HRG's current strategy. The pursuit of a new strategic direction poses inherent risks, and could lead to temporary or permanent negative impacts on HRG's stock prices, operations and financial results.

Spectrum and HRG stockholders will not be entitled to appraisal rights in the Merger.

Appraisal rights are statutory rights that, if applicable under law, enable stockholders to dissent from an extraordinary transaction, such as a merger, and to demand that the corporation pay the fair value for their shares

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as determined by a court in a judicial proceeding instead of receiving the consideration offered to stockholders in connection with the extraordinary transaction. Holders of shares of Spectrum Common Stock and shares of HRG Common Stock will not have appraisal rights in connection with the Merger or the other transactions contemplated by the Merger Agreement.

The Merger may disrupt attention of Spectrum's management or HRG's management from ongoing business operations.

Each of Spectrum and HRG has expended, and expects to continue to expend, significant management resources to complete the Merger. Their respective management's attention may be diverted away from the day-to-day operations of their respective business, implementing initiatives to improve performance throughout the remainder of fiscal 2018 and execution of existing business plans in an effort to complete the Merger. This diversion of management resources could disrupt their respective operations and may have an adverse effect on their respective business, financial conditions and results of operations.

The issuance of the shares of HRG Common Stock to holders of Spectrum Common Stock in connection with the Merger materially increases the risk that HRG could experience an ownership change for U.S. federal income tax purposes, which could materially affect HRG's ability to utilize its net operating losses and capital loss carryforwards and adversely impact HRG's results of operations.

HRG has substantial deferred tax assets related to net operating losses (NOLs) and capital loss carryforwards (together with the NOLs, the Tax Attributes) for U.S. federal and state income tax purposes, which HRG currently expects to be available to offset future taxable income. HRG's ability to utilize or realize the current carrying value of the NOLs and capital loss carryforwards may be impacted by certain events, including annual limits imposed under Section 382 of the Code, or applicable provisions of state law, as a result of an ownership change. Although HRG does not currently anticipate that the issuance of the shares of HRG Common Stock to holders of Spectrum Common Stock in connection with the Merger will result in an ownership change for U.S. federal and applicable state income tax purposes, the issuance of such shares materially increases the risk that HRG could experience an ownership change in the future as a result of future issuances of shares or certain direct or indirect changes in the ownership of such shares or other securities (e.g., as a result of a disposition of shares currently owned by existing 5% stockholders). In addition, although Leucadia's and Fortress's ability to dispose of shares of HRG Common Stock owned by them will be subject to certain transfer restrictions in the Amended HRG Charter that are designed to prevent an ownership change from occurring, such restrictions will expire on the second anniversary of the closing or earlier in certain specified circumstances. As a result, HRG could experience an ownership change in the future as a result of transfers by Leucadia and Fortress following the expiration of such transfer restrictions.

An ownership change is generally defined as a cumulative increase of 50 percentage points or more (by value) in the ownership positions of certain 5% stockholders of a corporation during a rolling three year period. Upon an ownership change, a corporation generally is subject to an annual limit on the ability to utilize pre-change NOLs and capital loss carryforwards to offset future taxable income and gain in an amount equal to the value of the corporation's market capitalization immediately before the ownership change multiplied by the adjusted long-term tax-exempt rate set by the Internal Revenue Service (the IRS). Since NOLs generally may be carried forward for up to 20 years, any such annual limitation may result in the inability to utilize certain pre-change NOLs and other tax attributes.

In the event an ownership change were to occur, HRG could lose the ability to use a significant portion of its NOLs and capital loss carryforwards. Any permanent loss could have a material adverse effect on HRG's results of operations and financial condition.

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Each of Spectrum and HRG may refuse to close in the event the other experiences a material adverse effect, which is defined with respect to HRG to include a monetary threshold below which adverse effects will not trigger Spectrum's right to terminate the Merger Agreement, and shareholder litigation related to the Merger and impairments of HRG's tax attributes are both expressly excluded from triggering an HRG material adverse effect.

The respective obligations of the parties to consummate the transactions contemplated by the Merger Agreement are subject to the performance of the other party's covenants and accuracy of certain of its representations and warranties up to a material adverse effect threshold.

A material adverse effect will be deemed to have occurred, with respect to HRG, only if all the applicable effects have resulted or would reasonably be expected to result in a net adverse impact in excess of \$100,000,000 to the business, financial condition or results of operations of HRG and its subsidiaries (excluding Spectrum and its subsidiaries).

Furthermore, in addition to customary exclusions from the definition of material adverse effect, any effects relating to tax attributes of HRG (including net operating losses of HRG) and any effects relating to the existence of the Merger Agreement (including shareholder litigation relating to the Merger Agreement) will not count toward the occurrence of an HRG material adverse effect.

Risks Related to Our Business

Spectrum and HRG may fail to realize all of the anticipated benefits of the Merger or those benefits may take longer to realize than expected.

The anticipated benefits of the Merger depend on factors that are outside of the control of HRG and Spectrum and/or will be outside the control of HRG, including, among others, the possibility that contingent liabilities of HRG are larger than expected and the potential unknown liabilities, adverse consequences and unforeseen increased expenses associated with the Merger. Any one of these factors could result in increased costs, decreased expected revenues and diversion of management time and energy, which could materially impact the business, financial condition and results of operations of HRG. Any failure to realize the anticipated benefits of the Merger could cause an interruption of, or a loss of momentum in, the activities of HRG and could adversely affect the results of operations of HRG. The Merger may also result in material unanticipated problems, expenses, liabilities and diversion of management attention.

In addition, the full benefits of the Merger may not be realized. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in operating the business of HRG. All of these factors could cause dilution to the earnings per share of HRG, decrease or delay the expected accretive effect of the Merger and negatively impact the price of the shares of HRG Common Stock. As a result, it cannot be assured that the combination of Spectrum and HRG will result in the realization of the full benefits anticipated from the Merger within the anticipated time frames, or at all.

Spectrum and HRG will incur direct and indirect costs and expenses as a result of the Merger.

Spectrum and HRG will incur costs and expenses in connection with and as a result of consummating the Merger. The transaction costs incurred by HRG will reduce the number of shares of HRG Common Stock that HRG stockholders will receive in the Reverse Stock Split. A portion of the transaction costs related to the Merger will be incurred regardless of whether the Merger is consummated. While Spectrum and HRG have assumed that a certain magnitude of transaction expenses will be incurred, factors beyond Spectrum's and HRG's control could affect the total amount or the timing of these expenses. These expenses may exceed the costs historically borne by Spectrum and HRG. These costs could adversely affect the financial condition and results of operations of Spectrum and HRG prior to the

consummation of the Merger and of HRG following the consummation of the Merger.

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All fees and expenses incurred in connection with the Merger Agreement and the transactions contemplated thereby will be borne by the party incurring such fees or expenses, except that Spectrum will pay any SEC filing fees, exchange agent or transfer agent fees and expenses, amounts incurred by HRG relating to its efforts to cooperate with financing activities undertaken by Spectrum in connection with the Merger (if applicable), and any fees payable to any stock exchange or to FINRA in connection with the Merger Agreement and the transactions contemplated thereby. Due to HRG's ownership of approximately 62% of Spectrum (as of April 4, 2018), holders of HRG Common Stock will indirectly bear its allocable share of these amounts. Except to the extent described in the preceding two sentences, holders of HRG Common Stock will directly bear, in the form of an adjustment to the Share Combination Ratio, the aggregate amount of all incurred but unpaid HRG third-party advisor fees and expenses and, except for consideration payable or issuable pursuant to the terms of the Merger Agreement, any change of control, retention bonus, termination, severance or other similar payments and any employer-paid portion of any employment and payroll taxes related thereto.

HRG's actual financial positions and results of operations following the Merger may differ materially from the unaudited pro forma financial data included in this joint proxy statement/prospectus.

The pro forma financial information contained in this joint proxy statement/prospectus is presented for informational purposes only and may not be an indication of what HRG's financial position or results of operations would have been had the Merger been consummated on the dates indicated. The pro forma financial information has been derived from the audited and unaudited historical financial statements of Spectrum and HRG and certain adjustments and assumptions regarding HRG after giving effect to the Merger. The assets and liabilities of HRG have been measured at historical values.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect HRG's financial condition or results of operations following the consummation of the Merger. Any material variance from the pro forma financial information may cause significant variations in the market price of HRG Common Stock. See *Spectrum and HRG Unaudited Pro Forma Condensed Consolidated Financial Statements*.

Upon completion of the Merger, HRG will have more debt than either HRG or Spectrum alone.

HRG will be subject, after closing, to the net indebtedness at closing of each of HRG and Spectrum, and the limitations on its business and operations resulting from that debt and the terms of any debt agreements of HRG or Spectrum. HRG and Spectrum cannot predict the terms of any subsequent debt arrangements HRG will enter into, which may be less favorable than HRG's existing loan agreement dated as of January 13, 2017 (the 2017 Loan).

HRG's level of indebtedness could have the effect, among other things, of reducing its flexibility to respond to changing business and economic conditions and increasing its interest expense. The increased levels of indebtedness following completion of the Merger could also reduce funds available for HRG's investments in capital expenditures, share repurchases, dividend payments and other activities and may create competitive disadvantages for HRG relative to competitors with lower debt levels.

Certain provisions of the Amended HRG Charter, Amended HRG Bylaws and of the DGCL will have anti-takeover effects and could delay, discourage, defer or prevent a tender offer or takeover attempt that a stockholder might consider to be in the stockholder's best interests.

Certain provisions of the Amended HRG Charter may have the effect of delaying or preventing changes in control if HRG's board of directors determines that such changes in control are not in the best interests of HRG and its

stockholders. Such provisions include, among other things, those that:

provide for a classified board of directors with staggered three-year terms;

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authorize the board of directors to issue preferred shares and to determine the terms, including the number of shares, voting powers, redemption provisions, dividend rates, liquidation preferences and conversion rights, of those shares, without stockholder approval;

increase the number of authorized preferred shares from 10 million to 100 million;

permit the removal of directors by the stockholders only for cause and then only by the affirmative vote of a majority of the outstanding shares of HRG Common Stock;

opt in to Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in a business combination with any interested stockholder (generally speaking a stockholder who holds 15% or more of HRG's voting stock) for three years from the date such stockholder becomes an interested stockholder unless certain conditions are met; and

subject to certain exceptions, prohibit any person from acquiring shares of HRG Common Stock if such person is, or would become as a result of the acquisition, a Substantial Holder (as defined in the Amended HRG Charter).

These provisions may frustrate or prevent attempts by stockholders to cause a change in control of HRG or to replace members of its board of directors. For more information, see *Comparison of Stockholder Rights*.

Risks Related to Spectrum's Business

You should read and consider the risk factors specific to Spectrum's business that will also affect HRG after the Merger. These risks are described in Spectrum's Current Report on Form 8-K filed on March 30, 2018, as such risks may be updated or supplemented in Spectrum's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, and in other documents that are incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* for the location of information incorporated by reference in this joint proxy statement/prospectus.

Risks Related to HRG's Business

You should read and consider the risk factors specific to HRG's businesses that will continue to affect the HRG after the Merger. These risks are described in HRG's Current Report on Form 8-K filed on April 2, 2018, as such risks may be updated or supplemented in HRG's subsequently filed Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, and in other documents that are incorporated by reference into this joint proxy statement/prospectus. See *Where You Can Find More Information* for the location of information incorporated by reference in this joint proxy statement/prospectus.

Table of Contents**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

Certain matters discussed in this joint proxy statement/prospectus may be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and within the meaning of, and subject to the safe harbor created by, Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act. We have tried, whenever possible, to identify these statements by using words like future, anticipate, intend, plan, estimate, be expected, expect, project, forecast, could, would, should, will, may, and similar expressions of future intent or the use of such terms. These statements are subject to a number of risks and uncertainties that could cause results to differ materially from those anticipated as of the date of this joint proxy statement/prospectus. Actual results may differ materially as a result of (1) the ability to consummate the Merger on the expected terms and within the anticipated time period, or at all, which is dependent on the parties' ability to satisfy certain closing conditions, including the required stockholder approval; (2) any delay or inability of HRG to realize the expected benefits of the Merger (including those relating to tax attributes of HRG); (3) changes in tax laws, regulations, rates, policies or interpretations; (4) the value of the shares of HRG Common Stock to be issued in the Merger; (5) the risk of unexpected significant transaction costs and/or unknown liabilities; (6) potential litigation relating to the proposed Merger; (7) the outcome of Spectrum's previously announced transaction to sell its Global Battery and Lighting Business (as defined in Spectrum's annual report on Form 10-K for the fiscal year ended September 30, 2017) and exploration of strategic options for its Appliances business, including uncertainty regarding consummation of any such transaction or transactions and the terms of such transaction or transactions, if any, and, if consummated, Spectrum's ability to realize the expected benefits of such transaction; (8) the impact of actions taken by significant stockholders; (9) the impact of expenses resulting from the implementation of new business strategies, divestitures or current and proposed restructuring activities; (10) the potential disruption to Spectrum's or HRG's business or diverted management attention, and the unanticipated loss of key members of senior management or other employees, in each case as a result of the proposed Merger, the previously announced transaction to sell Spectrum's Global Battery and Lighting Business, in connection with the strategic options for Spectrum's Appliances business or otherwise; and (11) general economic and business conditions that affect HRG following the consummation of the Merger. Risks that could cause actual risks to differ from those anticipated as of the date hereof include those discussed herein, those set forth in the combined securities filings of Spectrum and SB/RH Holdings, LLC, including their most recently filed Annual Report on Form 10-K, and those set forth in the securities filings of HRG, including its most recently filed Annual Report on Form 10-K.

Spectrum and HRG also caution the reader that undue reliance should not be placed on any forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus. Except as required by law, Spectrum and HRG undertake no duty or responsibility to update any of these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect actual outcomes.

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THE SPECTRUM SPECIAL MEETING

Date, Time and Place of the Spectrum Special Meeting

The Spectrum Special Meeting will be held at [], local time, on [], 2018, at Kirkland & Ellis LLP, 601 Lexington Avenue, New York, New York 10022. On or about [], 2018, Spectrum commenced mailing this joint proxy statement/prospectus and the enclosed form of proxy card to its stockholders entitled to vote at the Spectrum Special Meeting.

Purpose of the Spectrum Special Meeting

At the Spectrum Special Meeting, Spectrum stockholders will be asked to consider and vote upon the following items:

1. the Spectrum Merger Proposal;
2. the Spectrum Adjournment Proposal; and
3. the Spectrum Advisory HRG Charter Amendment Proposals, which include:

the Spectrum Advisory HRG Section 203 Proposal;

the Spectrum Advisory HRG Reverse Stock Split Proposal;

the Spectrum Advisory HRG Common Stock Proposal;

the Spectrum Advisory HRG Preferred Stock Proposal;

the Spectrum Advisory HRG Section 382 Proposal; and

the Spectrum Advisory HRG Additional Charter Amendments Proposal.

No other business will be acted upon at the Spectrum Special Meeting.

Spectrum and HRG entered into the HRG Voting Agreement, pursuant to which HRG has agreed to vote all of its shares of Spectrum Common Stock to approve and adopt the Merger Agreement and the transactions contemplated thereby and take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement. The HRG Voting Agreement and the obligations thereunder terminate upon the termination of the Merger Agreement in accordance with its terms. These shares represent

approximately 62% of the aggregate voting power of all shares of Spectrum Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus.

Spectrum Record Date and Quorum

Record Date

The Spectrum board of directors has fixed the close of business on [], 2018 as the record date for determining the Spectrum stockholders entitled to receive notice of and to vote at the Spectrum Special Meeting.

As of the Spectrum Record Date, there were [] shares of Spectrum Common Stock outstanding and entitled to vote at the Spectrum Special Meeting. Each share of Spectrum Common Stock entitles the holder to one vote at the Spectrum Special Meeting on each proposal to be considered at the Spectrum Special Meeting. Shares of Spectrum Common Stock that are held in treasury will not be entitled to vote at the Spectrum Special Meeting.

Quorum

The presence of the holders of shares of Spectrum Common Stock representing a majority of the voting power of all issued and outstanding shares of Spectrum Common Stock entitled to vote at the Spectrum Special

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Meeting, in person or represented by proxy, is necessary to constitute a quorum at the Spectrum Special Meeting. Pursuant to the HRG Voting Agreement, HRG, which beneficially owns approximately 62% of the outstanding Spectrum Common Stock as of April 4, 2018, has agreed to vote its shares of Spectrum Common Stock at the Spectrum Special Meeting, which would provide a quorum at the Spectrum Special Meeting, subject to the conditions set forth in the voting agreement.

Abstentions will be counted as present for purposes of determining a quorum. It is expected that all proposals to be voted on at the Spectrum Special Meeting will be non-routine matters. Banks, brokers and other nominees do not have discretionary voting power with respect to the approval of matters determined to be non-routine, without specific instructions from the beneficial owner. If a stockholder meeting consists of a mix of routine and non-routine matters, the banks, brokers or other nominees may exercise voting discretion over the routine matters and must refrain from voting on the non-routine matters, which are known as broker non-votes. When a special meeting is comprised of only non-routine matters and no proposal is considered routine, banks, brokers or other nominees, absent specific instructions from the beneficial owner, have no voting power over any matters and therefore no broker non-votes will result. Because all proposals at the Spectrum Special Meeting will be considered non-routine, we do not expect to receive any broker non-votes. Shares of Spectrum Common Stock held in treasury will not be included in the calculation of the number of shares of Spectrum Common Stock represented at the Spectrum Special Meeting for purposes of determining a quorum.

Required Vote***Required Vote to Approve the Spectrum Merger Proposal***

Approval of the Spectrum Merger Proposal requires the affirmative vote of (i) the holders of a majority of the outstanding shares of Spectrum Common Stock, (ii) the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and the executive officers of Spectrum and (iii) the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would be deemed to be a person by Section 13(d)(3) of the Exchange Act with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the Spectrum Certificate of Incorporation.

Pursuant to the HRG Voting Agreement discussed elsewhere in this joint proxy statement/prospectus, HRG, which beneficially owns approximately 62% of the outstanding Spectrum Common Stock as of April 4, 2018, has agreed to vote all of its shares of Spectrum Common Stock to approve and adopt the Merger Agreement and the transactions contemplated thereby and take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, subject to the conditions set forth in the voting agreement.

Required Vote to Approve the Spectrum Adjournment Proposal

Approval of the Spectrum Adjournment Proposal requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum Common Stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, regardless of whether a quorum is present.

Required Vote to Approve the Spectrum Advisory HRG Charter Amendment Proposals

Approval of each of the non-binding Spectrum Advisory HRG Charter Amendment Proposals requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum Common Stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, assuming a quorum is present.

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Treatment of Abstentions; Failure to Vote

For purposes of the Spectrum Special Meeting, an abstention occurs when a Spectrum stockholder attends the Spectrum Special Meeting in person and does not vote or returns a proxy marked **ABSTAIN**.

For the Spectrum Merger Proposal, an abstention, failure to vote or broker non-vote will have the same effect as a vote cast **AGAINST** this proposal.

For the Spectrum Adjournment Proposal and each of the Spectrum Advisory HRG Charter Amendment Proposals, an abstention will count as a vote **AGAINST** these proposals. If a Spectrum stockholder fails to vote or to instruct his or her bank, broker or other nominee on how to vote and is not present in person or by proxy at the Spectrum Special Meeting, it will have no effect on the vote count for the Spectrum Adjournment Proposal or any of the Spectrum Advisory HRG Charter Amendment Proposals.

Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors

The Spectrum Special Committee is a committee consisting of four independent and disinterested directors of the Spectrum board of directors formed for the purpose of exploring, considering, negotiating and reviewing any strategic alternatives announced by HRG involving Spectrum or any other strategic or financial alternatives available to Spectrum. The Spectrum Special Committee has unanimously determined that the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its minority stockholders, and has recommended that the Spectrum board of directors authorize, approve, adopt and declare advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, and recommend Spectrum's stockholders adopt the Merger Agreement and the Related Agreements and approve the Merger and the other transactions contemplated thereby.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar, who agreed to recuse themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, has determined that the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum and its stockholders, and has authorized, approved, adopted and declared advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby. The Spectrum board of directors (other than Messrs. Steinberg and Zargar, who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends that the Spectrum stockholders vote **FOR** each of the resolutions to be considered at the Spectrum Special Meeting and described in this joint proxy statement/prospectus, including the Spectrum Merger Proposal.

For a discussion of the factors considered by the Spectrum Special Committee and the Spectrum board of directors in their determination to recommend the adoption of the Merger Agreement and the approval of the Merger and the other transactions contemplated thereby, see *The Merger Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors*.

Consummation of the Merger is conditioned on approval of the Spectrum Merger Proposal, but is not conditioned on the approval of the Spectrum Adjournment Proposal or any of the Spectrum Advisory HRG Charter Amendment Proposals.

Voting by Spectrum's Directors and Executive Officers

As of the Spectrum Record Date, approximately []% of the shares of Spectrum Common Stock outstanding and entitled to vote were held by the directors and executive officers of Spectrum and their affiliates. As of the

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Spectrum Record Date, approximately []% of the shares of Spectrum Common Stock outstanding and entitled to vote were held by directors and executive officers of Spectrum (and their affiliates) who are not affiliated with HRG, which represents approximately []% of the shares of Spectrum Common Stock outstanding and entitled to vote held by the Spectrum stockholders not affiliated with HRG. Spectrum currently expects that the directors and executive officers of Spectrum will vote their shares of Spectrum Common Stock in favor of the Spectrum Merger Proposal, although none has entered into any agreement obligating them to do so. For additional information regarding the votes required to approve the proposals to be voted on at the Spectrum Special Meeting, see *The Spectrum Special Meeting Required Vote*.

Voting of Proxies; Incomplete Proxies

Giving a proxy means that a Spectrum stockholder authorizes the persons named in the enclosed proxy card to vote its shares at the Spectrum Special Meeting in the manner it directs. A Spectrum stockholder may give a proxy or vote in person at the Spectrum Special Meeting. If you hold your shares of Spectrum Common Stock in your name as a stockholder of record, you may use one of the following methods to give your proxy before the Spectrum Special Meeting:

By Internet. The web address and instructions for Internet proxy submission can be found on the enclosed proxy card. You will be required to provide your assigned control number located on the proxy card. Internet proxy submission via the web address indicated on the enclosed proxy card is available 24 hours a day. If you choose to submit your proxy by Internet, then you do not need to return the proxy card.

By Telephone. The toll-free number for telephone proxy submission can be found on the enclosed proxy card. You will be required to provide your assigned control number located on the proxy card. Telephone proxy submission is available 24 hours a day. If you choose to submit your proxy by telephone, then you do not need to return the proxy card.

By Mail. Mark the enclosed proxy card, sign and date it, and return it in the postage-paid envelope you have been provided.

You may also vote your shares in person at the Spectrum Special Meeting.

Spectrum requests that Spectrum stockholders submit their proxies over the Internet, by telephone or by completing and signing the accompanying proxy card and returning it to Spectrum in the enclosed postage-paid envelope as soon as possible. When the accompanying proxy card is returned properly executed, the shares of Spectrum Common Stock represented by it will be voted at the Spectrum Special Meeting in accordance with the instructions contained on the proxy card.

If you sign and return your proxy card without indicating how to vote on any particular proposal, the shares of Spectrum Common Stock represented by your proxy will be voted **FOR** each such proposal in accordance with the recommendation of the Spectrum board of directors. Unless you check the box on your proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on the proposals relating to the Spectrum Special Meeting.

If your shares of Spectrum Common Stock are held in street name by a bank, broker or other nominee, you should check the voting form used by that firm to determine whether you may give voting instructions by telephone or the Internet.

EVERY SPECTRUM STOCKHOLDER'S VOTE IS IMPORTANT. ACCORDINGLY, EACH SPECTRUM STOCKHOLDER SHOULD SUBMIT ITS PROXY VIA THE INTERNET OR BY TELEPHONE, OR SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD, WHETHER OR NOT THE SPECTRUM STOCKHOLDER PLANS TO ATTEND THE SPECTRUM SPECIAL MEETING IN PERSON.

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Shares Held in Street Name

If your shares of Spectrum Common Stock are held in street name through a bank, broker or other nominee, you must instruct such bank, broker or other nominee on how to vote the shares by following the instructions that the bank, broker or other nominee provides you along with this joint proxy statement/prospectus. Your bank, broker or other nominee, as applicable, may have an earlier deadline by which you must provide instructions to it as to how to vote your shares of Spectrum Common Stock, so you should read carefully the materials provided to you by your bank, broker or other nominee.

You may not vote shares held in street name by returning a proxy card directly to Spectrum or by voting in person at the Spectrum Special Meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee. Further, banks, brokers or other nominees who hold shares of Spectrum Common Stock on behalf of their customers may not give a proxy to Spectrum to vote those shares with respect to any of the Spectrum Proposals without specific instructions from their customers, as banks, brokers and other nominees do not have discretionary voting power on any of the Spectrum Proposals. Therefore, if your shares of Spectrum Common Stock are held in street name and you do not instruct your bank, broker or other nominee on how to vote your shares,

1. your bank, broker or other nominee may not vote your shares on the Spectrum Merger Proposal, which will have the same effect as a vote **AGAINST** this proposal; and
2. your bank, broker or other nominee may not vote your shares on the Spectrum Adjournment Proposal or any of the Spectrum Advisory HRG Charter Amendment Proposals, which will not count as a vote **FOR** or **AGAINST** these proposals.

If your shares of Spectrum Common Stock are held in street name and you do not instruct your bank, broker or other nominee on how to vote your shares with respect to any of the Spectrum Proposals, your shares will not be counted toward determining whether a quorum is present. Your shares will be counted toward determining whether a quorum is present if you instruct your bank, broker or other nominee on how to vote your shares with respect to one or more of the Spectrum Proposals.

Revocability of Proxies and Changes to a Spectrum Stockholder's Vote

If you are a Spectrum stockholder of record, you may revoke or change your proxy at any time before it is exercised at the Spectrum Special Meeting by:

sending a written notice of revocation to the Spectrum Corporate Secretary, at Spectrum's corporate headquarters, 3001 Deming Way, Middleton, Wisconsin 53562, stating that you would like to revoke your proxy;

submitting a new proxy bearing a later date (by Internet, telephone or mail); or

attending the Spectrum Special Meeting and voting in person.

If you are a Spectrum stockholder whose shares of Spectrum Common Stock are held in street name by a bank, broker or other nominee, you may revoke your proxy or voting instructions and vote your shares in person at the Spectrum Special Meeting only in accordance with applicable rules and procedures as employed by your bank, broker or other nominee. If your shares of Spectrum Common Stock are held in an account at a bank, broker or other nominee, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your proxy or voting instructions and should contact your bank, broker or other nominee to do so.

Attending the Spectrum Special Meeting will NOT automatically revoke a proxy that was submitted through the Internet or by telephone or mail. ***You must vote by ballot at the Spectrum Special Meeting to change your vote.***

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Solicitation of Proxies

The cost of solicitation of proxies from Spectrum stockholders will be borne by Spectrum. Spectrum will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Spectrum Common Stock. Spectrum has retained a professional proxy solicitation firm, MacKenzie Partners, Inc., to assist in the solicitation of proxies for a base fee of approximately \$60,000 plus reasonable out-of-pocket expenses. In addition to solicitations by mail, Spectrum's directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

Attending the Spectrum Special Meeting

Subject to space availability and certain security procedures, all Spectrum stockholders as of the Spectrum Record Date, or their duly appointed proxies, may attend the Spectrum Special Meeting. Admission to the Spectrum Special Meeting will be on a first-come, first-served basis.

Each person attending the Spectrum Special Meeting must have proof of ownership of Spectrum Common Stock, as well as valid government-issued photo identification, such as a valid driver's license or passport, to be admitted to the meeting. If you hold your shares of Spectrum Common Stock in your name as a stockholder of record, you will need proof of ownership of Spectrum Common Stock. If your shares of Spectrum Common Stock are held in the name of a bank, broker or other nominee and you plan to attend the Spectrum Special Meeting, you must present proof of your ownership of Spectrum Common Stock, such as a bank or brokerage account statement, to be admitted to the meeting, and you must obtain a legal proxy from the bank, broker or other nominee to vote at the meeting.

Assistance

If you need assistance in completing your proxy card or have questions regarding the Spectrum Special Meeting, please contact MacKenzie Partners, Inc., the proxy solicitation agent for Spectrum, by (i) mail at 1407 Broadway, 27th Floor, New York, New York 10018, (ii) email at proxy@mackenziepartners.com or (iii) telephone toll-free at (800) 322-2885.

Table of Contents**SPECTRUM PROPOSALS****Spectrum Proposal 1: The Spectrum Merger Proposal**

As discussed throughout this joint proxy statement/prospectus, Spectrum is asking its stockholders to approve the Spectrum Merger Proposal. Under the terms of the Merger Agreement, Merger Sub 1 will merge with and into Spectrum, with Spectrum surviving the First Merger as a wholly owned subsidiary of HRG, and immediately following the effectiveness of the First Merger, if the Second Merger Opt-Out Condition has not occurred, Spectrum will merge with and into Merger Sub 2, with Merger Sub 2 surviving the Second Merger as a wholly owned subsidiary of HRG.

Immediately prior to the consummation of the First Merger, the HRG Charter will be amended and restated. As a result of this amendment and restatement, each of the outstanding shares of HRG Common Stock will, by means of the Reverse Stock Split, be combined into a fraction of a share of HRG Common Stock equal to (i) (a) the number of shares of Spectrum Common Stock held by HRG and its subsidiaries as of immediately prior to the Effective Time, minus (b) (1) the sum of (x) HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing, minus (y) \$200,000,000, divided by (2) the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date, divided by (ii) as of immediately prior to the Reverse Stock Split, the sum of (without duplication) (a) the aggregate number of issued and outstanding shares of HRG Common Stock, (b) (1) the aggregate number of shares of HRG Common Stock subject to then-unexercised HRG stock options and warrants, minus (2) the number of shares of HRG Common Stock having a then-aggregate value equal to the aggregate exercise price of such unexercised HRG stock options and warrants, and (c) the number of shares of HRG Common Stock subject to HRG restricted stock awards, vested in full in accordance with terms of the Merger Agreement. As part of the HRG Charter Amendment, HRG will change its name to Spectrum Brands Holdings, Inc.

In the Merger, each share of Spectrum Common Stock issued and outstanding immediately prior to the Effective Time (other than shares of Spectrum Common Stock held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum immediately prior to the Effective Time) will be converted into the right to receive one share of HRG Common Stock. Notwithstanding the foregoing, no HRG Common Stock will be issued in the Merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become, or be treated under the Amended HRG Charter as becoming a holder of more than 4.9% of Corporation Securities (as defined in the Amended HRG Charter). Any shares of HRG Common Stock that would be issuable to a Spectrum stockholder but for the operation of the Merger Agreement and the provisions of Article XIII of the Amended HRG Charter will instead be treated as Excess Securities (as defined in the Amended HRG Charter) and be delivered to one or more charitable organizations described in Section 501(c)(3) of the Code or escheated to the state of residence, incorporation or formation (as applicable) of the relevant Spectrum stockholder.

Immediately upon consummation of the Merger, pre-closing Spectrum stockholders and pre-closing HRG stockholders are expected to own approximately 39% and 61%, respectively, of the outstanding shares of HRG Common Stock, and a total of approximately 54,174,580 shares of HRG Common Stock are expected to be outstanding. Such ownership percentages and share amount assume (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iii) a \$200.0 million upward adjustment. Following the completion of the Merger, the shares of HRG Common Stock will

be listed on the NYSE and are expected to trade under the symbol SPB.

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Spectrum stockholders should carefully read this joint proxy statement/prospectus in its entirety, including the annexes and exhibits, for more detailed information concerning the Merger Agreement and the Merger. In particular, Spectrum stockholders are directed to the Merger Agreement, a copy of which is attached as Annex A to this joint proxy statement/prospectus and incorporated by reference into this joint proxy statement/prospectus.

The consummation of the Merger is conditioned on approval of the Spectrum Merger Proposal.

Vote Required and Spectrum Board Recommendation

Approval of the Spectrum Merger Proposal requires the affirmative vote of (i) the holders of a majority of the outstanding shares of Spectrum Common Stock, (ii) the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and the executive officers of Spectrum, and (iii) the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would be deemed to be a person by Section 13(d)(3) of the Exchange Act with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the Spectrum Certificate of Incorporation.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Merger Proposal.

Spectrum Proposal 2: The Spectrum Adjournment Proposal

Spectrum is asking its stockholders to approve the adjournment of the Spectrum Special Meeting to another time and place if necessary or appropriate to solicit additional votes in favor of the Spectrum Merger Proposal. The Merger Agreement provides that the Spectrum Special Meeting will not be postponed or adjourned to a date that is more than thirty days after the date for which the Spectrum Special Meeting was originally scheduled without the prior written consent of HRG.

Consummation of the Merger is not conditioned on the approval of the Spectrum Adjournment Proposal.

Vote Required and Spectrum Board Recommendation

Approval of the Spectrum Adjournment Proposal requires the affirmative vote of the holders of a majority in voting power of the shares of Spectrum Common Stock present in person or by proxy at the Spectrum Special Meeting and entitled to vote on such proposal, regardless of whether a quorum is present.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Adjournment Proposal.

Spectrum Proposal 3: The Spectrum Advisory HRG Section 203 Proposal

The HRG Charter provides that business combinations with interested stockholders will not be governed by Section 203 of the DGCL. Spectrum is asking its stockholders to approve, on a non-binding, advisory basis, an amendment to the HRG Charter whereby any business combination with an interested stockholder will be subject to Section 203 of the DGCL.

The amendments to the HRG Charter are contingent upon the completion of the Merger. Following completion of the Merger, Spectrum stockholders who receive Merger Consideration will be receiving common stock governed by the Amended HRG Charter. Accordingly, Spectrum stockholders are being provided the opportunity to cast an advisory vote on the amendment.

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As an advisory vote, this proposal is not binding upon Spectrum or the Spectrum board of directors, and approval of this proposal is not a condition to completion of the Merger. However, Spectrum seeks the support of Spectrum stockholders and believes that stockholder support is appropriate because many Spectrum stockholders will become holders of HRG Common Stock governed by the Amended HRG Charter upon completion of the Merger. Accordingly, holders of Spectrum Common Stock are being asked to vote on the non-binding Spectrum Advisory HRG Section 203 Proposal.

Vote Required and Spectrum Board Recommendation

Because the vote on the Spectrum Advisory HRG Section 203 Proposal is advisory only, it will not be binding on HRG. Accordingly, if the Merger Agreement is adopted and the Merger is approved and completed, the proposed amendment to the HRG Charter to opt into Section 203 of the DGCL, if approved by HRG's stockholders, will or may be made, regardless of the outcome of the advisory (non-binding) vote of Spectrum stockholders. Spectrum will consider the non-binding Spectrum Advisory HRG Section 203 Proposal approved upon the affirmative vote of holders of a majority in voting power of the shares of Spectrum Common Stock present in person or represented by proxy at the Spectrum Special Meeting and entitled to vote on such proposal.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Advisory HRG Section 203 Proposal.

Spectrum Proposal 4: The Spectrum Advisory HRG Reverse Stock Split Proposal

Spectrum is asking its stockholders to approve, on a non-binding, advisory basis, an amendment to the HRG Charter whereby each outstanding share of HRG Common Stock will, by means of a reverse stock split, be combined into a fraction of a share of HRG Common Stock equal to equal to (i) (a) the number of shares of Spectrum Common Stock held by HRG and its subsidiaries as of immediately prior to the Effective Time, minus (b) (1) the sum of (x) HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing, minus (y) \$200,000,000, divided by (2) the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date, divided by (ii) as of immediately prior to the Reverse Stock Split, the sum of (without duplication) (a) the aggregate number of issued and outstanding shares of HRG Common Stock, (b) (1) the aggregate number of shares of HRG Common Stock subject to then-unexercised HRG stock options and warrants, minus (2) the number of shares of HRG Common Stock having a then-aggregate value equal to the aggregate exercise price of such unexercised HRG stock options and warrants, and (c) the number of shares of HRG Common Stock subject to HRG restricted stock awards, vested in full in accordance with terms of the Merger Agreement.

The amendments to the HRG Charter are contingent upon the completion of the Merger. Following completion of the Merger, Spectrum stockholders who receive Merger Consideration will be receiving common stock governed by the Amended HRG Charter. Accordingly, Spectrum stockholders are being provided the opportunity to cast an advisory vote on the amendment.

As an advisory vote, this proposal is not binding upon Spectrum or the Spectrum board of directors, and approval of this proposal is not a condition to completion of the Merger. However, Spectrum seeks the support of Spectrum stockholders and believes that stockholder support is appropriate because many Spectrum stockholders will become holders of HRG Common Stock governed by the Amended HRG Charter upon completion of the Merger. Accordingly, holders of Spectrum Common Stock are being asked to vote on the non-binding Spectrum Advisory HRG Reverse Stock Split Proposal.

Vote Required and Spectrum Board Recommendation

Because the vote on the Spectrum Advisory HRG Reverse Stock Split Proposal is advisory only, it will not be binding on HRG. Accordingly, if the Merger Agreement is adopted and the Merger is approved and

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completed, the proposed amendment to the HRG Charter to effect the Reverse Stock Split, if approved by HRG's stockholders, will or may be made, regardless of the outcome of the advisory (non-binding) vote of Spectrum stockholders. Spectrum will consider the non-binding Spectrum Advisory HRG Reverse Stock Split Proposal approved upon the affirmative vote of holders of a majority in voting power of the shares of Spectrum Common Stock present in person or represented by proxy at the Spectrum Special Meeting and entitled to vote on such proposal.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Advisory HRG Reverse Stock Split Proposal.

Spectrum Proposal 5: The Spectrum Advisory HRG Common Stock Proposal

The HRG Charter provides that the total number of shares of common stock which HRG will have the authority to issue is 500 million. Spectrum is asking its stockholders to approve, on a non-binding, advisory basis, an amendment to the HRG Charter whereby the authorized number of shares of HRG Common Stock will decrease from 500 million shares to 200 million shares.

The amendments to the HRG Charter are contingent upon the completion of the Merger. Following completion of the Merger, Spectrum stockholders who receive Merger Consideration will be receiving common stock governed by the Amended HRG Charter. Accordingly, Spectrum stockholders are being provided the opportunity to cast an advisory vote on the amendment.

As an advisory vote, this proposal is not binding upon Spectrum or the Spectrum board of directors, and approval of this proposal is not a condition to completion of the Merger. However, Spectrum seeks the support of Spectrum stockholders and believes that stockholder support is appropriate because many Spectrum stockholders will become holders of HRG Common Stock governed by the Amended HRG Charter upon completion of the Merger. Accordingly, holders of Spectrum Common Stock are being asked to vote on the non-binding Spectrum Advisory HRG Common Stock Proposal.

Vote Required and Spectrum Board Recommendation

Because the vote on the Spectrum Advisory HRG Common Stock Proposal is advisory only, it will not be binding on HRG. Accordingly, if the Merger Agreement is adopted and the Merger is approved and completed, the proposed amendment to the HRG Charter to reduce the number of shares of HRG Common Stock from 500 million shares to 200 million shares, if approved by HRG's stockholders, will or may be made, regardless of the outcome of the advisory (non-binding) vote of Spectrum stockholders. Spectrum will consider the non-binding Spectrum Advisory HRG Common Stock Proposal approved upon the affirmative vote of holders of a majority in voting power of the shares of Spectrum Common Stock present in person or represented by proxy at the Spectrum Special Meeting and entitled to vote on such proposal.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Advisory HRG Common Stock Proposal.

Spectrum Proposal 6: The Spectrum Advisory HRG Preferred Stock Proposal

The HRG Charter provides that the total number of shares of preferred stock which HRG will have the authority to issue is 10 million. Spectrum is asking its stockholders to approve, on a non-binding, advisory basis,

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an amendment to the HRG Charter whereby the authorized number of shares of HRG preferred stock will increase from 10 million shares to 100 million shares.

The amendments to the HRG Charter are contingent upon the completion of the Merger. Following completion of the Merger, Spectrum stockholders who receive Merger Consideration will be receiving common stock governed by the Amended HRG Charter. Accordingly, Spectrum stockholders are being provided the opportunity to cast an advisory vote on the amendment.

As an advisory vote, this proposal is not binding upon Spectrum or the Spectrum board of directors, and approval of this proposal is not a condition to completion of the Merger. However, Spectrum seeks the support of Spectrum stockholders and believes that stockholder support is appropriate because many Spectrum stockholders will become holders of HRG Common Stock governed by the Amended HRG Charter upon completion of the Merger. Accordingly, holders of Spectrum Common Stock are being asked to vote on the non-binding Spectrum Advisory HRG Preferred Stock Proposal.

Vote Required and Spectrum Board Recommendation

Because the vote on the Spectrum Advisory HRG Preferred Stock Proposal is advisory only, it will not be binding on HRG. Accordingly, if the Merger Agreement is adopted and the Merger is approved and completed, the proposed amendment to the HRG Charter to increase the authorized number of shares of HRG preferred stock from 10 million shares to 100 million shares, if approved by HRG's stockholders, will or may be made, regardless of the outcome of the advisory (non-binding) vote of Spectrum stockholders. Spectrum will consider the non-binding Spectrum Advisory HRG Preferred Stock Proposal approved upon the affirmative vote of holders of a majority in voting power of the shares of Spectrum Common Stock present in person or represented by proxy at the Spectrum Special Meeting and entitled to vote on such proposal.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Advisory HRG Preferred Stock Proposal.

Spectrum Proposal 7: The Spectrum Advisory HRG Section 382 Proposal

Spectrum is asking its stockholders to approve, on a non-binding, advisory basis, an amendment to the HRG Charter's Section 382 transfer restrictions. The Amended HRG Charter generally would retain transfer restrictions that prohibit any person from acquiring or disposing of any shares of HRG Common Stock (i) to the extent that after giving effect to such transfer, such person, or any other person by reason of such transfer, becomes a Substantial Holder as defined in the HRG Charter (generally, a holder of 4.9% or more of the HRG Common Stock or a person identified as a 5-percent shareholder of HRG under applicable Treasury regulations), (ii) if, before giving effect to the transfer, such person is identified as a 5-percent shareholder of HRG under applicable Treasury regulations or (iii) to the extent that the ownership percentage of any person that, prior to giving effect to such transfer, is a Substantial Holder of HRG would be increased. However, the Amended HRG Charter would adopt (x) certain modifications to the application of those transfer restrictions to HRG Common Stock otherwise issuable in the Merger and (y) certain exceptions to those transfer restrictions, including for certain distributions by Fortress and Leucadia to their respective members or stockholders, as applicable, and certain other transfers by Fortress and Leucadia.

The amendments to the HRG Charter are contingent upon the completion of the Merger. Following completion of the Merger, Spectrum stockholders who receive Merger Consideration will be receiving common stock governed by the Amended HRG Charter. Accordingly, Spectrum stockholders are being provided the opportunity to cast an advisory

vote on the amendment.

As an advisory vote, this proposal is not binding upon Spectrum or the Spectrum board of directors, and approval of this proposal is not a condition to completion of the Merger. However, Spectrum seeks the support of

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Spectrum stockholders and believes that stockholder support is appropriate because many Spectrum stockholders will become holders of HRG Common Stock governed by the Amended HRG Charter upon completion of the Merger. Accordingly, holders of Spectrum Common Stock are being asked to vote on the non-binding Spectrum Advisory HRG Section 382 Proposal.

Vote Required and Spectrum Board Recommendation

Because the vote on the Spectrum Advisory HRG Section 382 Proposal is advisory only, it will not be binding on HRG. Accordingly, if the Merger Agreement is adopted and the Merger is approved and completed, the proposed amendment to the HRG Charter Section 382 transfer restrictions, if approved by HRG's stockholders, will or may be made, regardless of the outcome of the advisory (non-binding) vote of Spectrum stockholders. Spectrum will consider the non-binding Spectrum Advisory HRG Section 382 Proposal approved upon the affirmative vote of holders of a majority in voting power of the shares of Spectrum Common Stock present in person or represented by proxy at the Spectrum Special Meeting and entitled to vote on such proposal.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Advisory HRG Section 382 Proposal.

Spectrum Proposal 8: The Spectrum Advisory Additional Charter Amendments Proposal

Spectrum is asking its stockholders to approve, on a non-binding, advisory basis, the additional amendments contained in the Amended HRG Charter, attached as Exhibit A to the Merger Agreement included as Annex A hereto.

The amendments to the HRG Charter are contingent upon the completion of the Merger. Following completion of the Merger, Spectrum stockholders who receive Merger Consideration will be receiving common stock governed by the Amended HRG Charter. Accordingly, Spectrum stockholders are being provided the opportunity to cast an advisory vote on the amendment.

As an advisory vote, this proposal is not binding upon Spectrum or the Spectrum board of directors, and approval of this proposal is not a condition to completion of the Merger. However, Spectrum seeks the support of Spectrum stockholders and believes that stockholder support is appropriate because many Spectrum stockholders will become holders of HRG Common Stock governed by the Amended HRG Charter upon completion of the Merger. Accordingly, holders of Spectrum Common Stock are being asked to vote on the non-binding Spectrum Advisory HRG Additional Charter Amendments Proposal.

Vote Required and Spectrum Board Recommendation

Because the vote on the Spectrum Advisory HRG Additional Charter Amendments Proposal is advisory only, it will not be binding on HRG. Accordingly, if the Merger Agreement is adopted and the Merger is approved and completed, the proposed additional amendments to the HRG Charter, if approved by HRG's stockholders, will or may be made, regardless of the outcome of the advisory (non-binding) vote of Spectrum stockholders. Spectrum will consider the non-binding Spectrum Advisory HRG Additional Charter Amendments Proposal approved upon the affirmative vote of holders of a majority in voting power of the shares of Spectrum Common Stock present in person or represented by proxy at the Spectrum Special Meeting and entitled to vote on such proposal.

The Spectrum board of directors (other than Messrs. Steinberg and Zargar who recused themselves from determinations relating to the Merger due to their affiliation with HRG), acting on the unanimous recommendation of

the Spectrum Special Committee, recommends a vote **FOR** the Spectrum Advisory HRG Additional Charter Amendments Proposal.

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THE HRG SPECIAL MEETING

Date, Time and Place of the HRG Special Meeting

The special meeting of HRG stockholders will be held at [], local time, on [], 2018, at Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017. On or about [], HRG commenced mailing this joint proxy statement/prospectus and the enclosed form of proxy card to its stockholders entitled to vote at the HRG Special Meeting.

Purpose of the HRG Special Meeting

At the HRG Special Meeting, HRG stockholders will be asked to consider and vote upon the following items:

1. the HRG Section 203 Proposal;
2. the HRG Reverse Stock Split Proposal;
3. the HRG Common Stock Proposal;
4. the HRG Preferred Stock Proposal;
5. the HRG Section 382 Proposal;
6. the HRG Additional Charter Amendments Proposal;
7. the HRG Share Issuance Proposal;
8. the HRG Adjournment Proposal; and
9. the HRG Advisory Compensation Proposal

No other business will be acted upon at the HRG Special Meeting.

HRG Record Date and Quorum

HRG Record Date

The HRG board of directors has fixed the close of business on [], 2018 as the record date for determining the HRG stockholders entitled to receive notice of and to vote at the HRG Special Meeting.

On the HRG Record Date, HRG's outstanding capital stock consisted of [] shares of HRG Common Stock, which was held by approximately [] holders of record including persons who hold shares for an indeterminate number of beneficial owners. Each share of common stock is entitled to one vote on each matter submitted for stockholder approval.

Quorum

The presence in person or by proxy of the holders of shares of HRG Common Stock representing a majority of the voting power of all outstanding shares of HRG Common Stock entitled to vote at the HRG Special Meeting, is necessary to constitute a quorum at the HRG Special Meeting. Abstentions will be counted as present and entitled to vote for purposes of determining a quorum. Because, as described below, it is expected that all proposals to be voted on at the HRG Special Meeting will be non-routine matters, broker non-votes (which are shares of HRG Common Stock held by banks, brokers or other nominees with respect to which the bank, broker or other nominee is not instructed by the beneficial owner of such shares how to vote on a particular proposal and the bank, broker or other nominee does not have discretionary voting power on such proposal), if any, will not be counted as present and entitled to vote for purposes of determining a quorum.

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Required Vote

1. Required Vote to Approve the HRG Section 203 Proposal

Approval of the HRG Section 203 Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors.

2. Required Vote to Approve the HRG Reverse Stock Split Proposal

Approval of the HRG Reverse Stock Split Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors.

3. Required Vote to Approve the HRG Common Stock Proposal

Approval of the HRG Common Stock Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors.

4. Required Vote to Approve the HRG Preferred Stock Proposal

Approval of the HRG Preferred Stock Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors.

5. Required Vote to Approve the HRG Section 382 Proposal

Approval of the HRG Section 382 Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors.

6. Required Vote to Approve the HRG Additional Charter Amendments Proposal

Approval of the HRG Additional Charter Amendments Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors.

7. Required Vote to Approve the HRG Share Issuance Proposal

Approval of the HRG Share Issuance Proposal requires the affirmative vote of a majority of votes cast by HRG stockholders present in person or by proxy at the HRG special meeting and entitled to vote on the proposal.

8. Required Vote to Approve the HRG Adjournment Proposal

Approval of the HRG Adjournment Proposal requires the affirmative vote of holders of a majority of shares of HRG Common Stock present in person or by proxy at the HRG Special Meeting and entitled to vote on such proposal.

9. Required Vote to Approve the HRG Advisory Compensation Proposal

Approval of the HRG Advisory Compensation Proposal requires the affirmative vote of holders of a majority of shares of HRG Common Stock present in person or by proxy at the HRG Special Meeting and entitled to vote on such proposal.

Treatment of Abstentions; Failure to Vote

For purposes of the HRG Special Meeting, an abstention occurs when an HRG stockholder attends the HRG Special Meeting in person and does not vote or returns a proxy marked ABSTAIN.

1. For the HRG Section 203 Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Section 203 Proposal or an abstention on the HRG Section 203 Proposal will have the same effect as a vote cast **AGAINST** the HRG Section 203 Proposal.

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2. For the HRG Reverse Stock Split Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Reverse Stock Split Proposal or an abstention on the HRG Reverse Stock Split Proposal will have the same effect as a vote cast **AGAINST** the HRG Reverse Stock Split Proposal.
3. For the HRG Common Stock Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Common Stock Proposal or an abstention on the HRG Common Stock Proposal will have the same effect as a vote cast **AGAINST** the HRG Common Stock Proposal.
4. For the HRG Preferred Stock Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Preferred Stock Proposal or an abstention on the HRG Preferred Stock Proposal will have the same effect as a vote cast **AGAINST** the HRG Preferred Stock Proposal.
5. For the HRG Section 382 Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Section 382 Proposal or an abstention on the HRG Section 382 Proposal will have the same effect as a vote cast **AGAINST** the HRG Section 382 Proposal.
6. For the HRG Additional Charter Amendments Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Additional Charter Amendments Proposal or an abstention on the HRG Additional Charter Amendments Proposal will have the same effect as a vote cast **AGAINST** the HRG Additional Charter Amendments Proposal.
7. For the HRG Share Issuance Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Share Issuance Proposal will not count as a vote cast **FOR** or **AGAINST** the HRG Share Issuance Proposal. An abstention on the HRG Share Issuance Proposal will have the same effect as a vote cast **AGAINST** the HRG Share Issuance Proposal.
8. For the HRG Adjournment Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Adjournment Proposal will not count as a vote cast **FOR** or **AGAINST** the HRG Adjournment Proposal. An abstention on the HRG Adjournment Proposal will have the same effect as a vote cast **AGAINST** the HRG Adjournment Proposal.
9. For the HRG Advisory Compensation Proposal, failure to vote, failure to submit a proxy or failure to return a voting instruction card instructing the HRG stockholder's bank, broker or other nominee how to vote on the HRG Advisory Compensation Proposal will not count as a vote cast **FOR** or **AGAINST** the HRG Advisory

Compensation Proposal. An abstention on the HRG Advisory Compensation Proposal will have the same effect as a vote cast **AGAINST** the HRG Advisory Compensation Proposal.

Recommendation of the HRG Board of Directors

The HRG board of directors recommends that the HRG stockholders vote **FOR** the HRG Section 203 Proposal, **FOR** the HRG Reverse Stock Split Proposal, **FOR** the HRG Common Stock Proposal, **FOR** the HRG Preferred Stock Proposal, **FOR** the HRG Section 382 Proposal, **FOR** the HRG Additional Charter Amendments Proposal, **FOR** the HRG Share Issuance Proposal, **FOR** the HRG Adjournment Proposal and **FOR** the HRG Advisory Compensation Proposal. See *The Merger HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors*.

Consummation of the Merger is conditioned on approval of each of the HRG Charter Amendment Proposals and the HRG Share Issuance Proposal, but is not conditioned on the approval of the HRG Adjournment Proposal or the HRG Advisory Compensation Proposal.

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Voting by HRG's Directors and Executive Officers

As of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, directors and executive officers of HRG and their affiliates owned and were entitled to vote 226,008 shares of HRG Common Stock, representing approximately 0.11% of the HRG Common Stock outstanding on that date (not including shares held by Fortress or Leucadia or any of their respective affiliates).

HRG currently expects that HRG's directors and executive officers will vote their shares of HRG Common Stock in favor of the HRG Proposals, although none of them has entered into any agreement obligating him or her to do so.

Voting of Proxies; Incomplete Proxies

Giving a proxy means that an HRG stockholder authorizes the persons named in the enclosed proxy card to vote its shares at the HRG Special Meeting in the manner it directs. An HRG stockholder may give a proxy or vote in person at the HRG Special Meeting. If you hold your shares of HRG Common Stock in your name as a stockholder of record, to give a proxy, you, as an HRG stockholder, may use one of the following methods:

By Mail. If you received printed proxy materials, you may submit your vote by completing, signing and dating the proxy card received and returning it in the prepaid envelope by following the instructions that appear on the proxy card. Proxy cards submitted by mail must be received no later than 12:00 p.m., Eastern Time, on [], 2018 to be voted at the special meeting.

By Telephone/Internet. You may vote your shares by telephone or via the Internet by following the instructions provided in the proxy card. If you vote by telephone or via the Internet, you do not need to return a proxy card by mail. Internet and telephone voting are available 24 hours a day, 7 days a week. Votes submitted by telephone or through the Internet must be received by 12:00 p.m., Eastern Time, on [], 2018 to be voted at the special meeting.

In Person. You may vote your shares in person at the special meeting. Even if you plan to attend the special meeting in person, we recommend that you also submit your proxy card or vote by telephone or via the Internet by the applicable deadline so that your vote will be counted if you later decide not to attend the meeting.

HRG requests that HRG stockholders submit their proxies over the Internet, by telephone or by completing and signing the accompanying proxy card and returning it to HRG in the enclosed postage-paid envelope as soon as possible. When the accompanying proxy card is returned properly executed, the shares of HRG Common Stock represented by it will be voted at the HRG Special Meeting in accordance with the instructions contained on the proxy card.

If you sign and return your proxy or voting instruction card without indicating how to vote on any particular proposal, the shares of HRG Common Stock represented by your proxy will be voted **FOR** each such proposal in accordance with the recommendation of the HRG board of directors. Unless you check the box on your proxy card to withhold discretionary authority, the proxyholders may use their discretion to vote on the proposals relating to the HRG Special Meeting.

If your shares of HRG Common Stock are held in street name by a bank, broker or other nominee, you should check the voting form used by that firm to determine whether you may give voting instructions by telephone or the Internet.

EVERY HRG STOCKHOLDER'S VOTE IS IMPORTANT. ACCORDINGLY, EACH HRG STOCKHOLDER SHOULD SUBMIT ITS PROXY VIA THE INTERNET OR BY TELEPHONE, OR SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD, WHETHER OR NOT THE HRG STOCKHOLDER PLANS TO ATTEND THE HRG SPECIAL MEETING IN PERSON.

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Shares Held in Street Name

If your shares of HRG Common Stock are held in street name through a bank, broker or other nominee, you must instruct such bank, broker or other nominee on how to vote the shares by following the instructions that the bank, broker or other nominee provides you along with this joint proxy statement/prospectus. Your bank, broker or other nominee, as applicable, may have an earlier deadline by which you must provide instructions to it as to how to vote your shares of HRG Common Stock, so you should read carefully the materials provided to you by your bank, broker or other nominee.

You may not vote shares of HRG Common Stock held in street name by returning a proxy card directly to HRG or by voting in person at the HRG Special Meeting unless you provide a legal proxy, which you must obtain from your bank, broker or other nominee. Further, banks, brokers or other nominees who hold shares of HRG Common Stock on behalf of their customers may not give a proxy to HRG to vote those shares with respect to any of the HRG Proposals without specific instructions from their customers, as banks, brokers and other nominees do not have discretionary voting power on any of the HRG Proposals. Therefore, if your shares of HRG Common Stock are held in street name and you do not instruct your bank, broker or other nominee on how to vote your shares,

1. your bank, broker or other nominee may not vote your shares on the HRG Section 203 Proposal, which will have the same effect as a vote **AGAINST** this proposal;
2. your bank, broker or other nominee may not vote your shares on the HRG Reverse Stock Split Proposal, which will have the same effect as a vote **AGAINST** this proposal;
3. your bank, broker or other nominee may not vote your shares on the HRG Common Stock Proposal, which will have the same effect as a vote **AGAINST** this proposal;
4. your bank, broker or other nominee may not vote your shares on the HRG Preferred Stock Proposal, which will have the same effect as a vote **AGAINST** this proposal;
5. your bank, broker or other nominee may not vote your shares on the HRG Section 382 Proposal, which will have the same effect as a vote **AGAINST** this proposal;
6. your bank, broker or other nominee may not vote your shares on the HRG Additional Charter Amendment Proposal, which will have the same effect as a vote **AGAINST** this proposal;
7. your bank, broker or other nominee may not vote your shares on the HRG Share Issuance Proposal, which will not count as a vote **FOR** or **AGAINST** this proposal;
- 8.

your bank, broker or other nominee may not vote your shares on the HRG Adjournment Proposal, which will not count as a vote **FOR** or **AGAINST** this proposal; and

9. your bank, broker or other nominee may not vote your shares on the HRG Advisory Compensation Proposal, which will not count as a vote **FOR** or **AGAINST** this proposal.

If your shares of HRG Common Stock are held in street name and you do not instruct your bank, broker or other nominee on how to vote your shares with respect to any of the HRG Proposals, your shares will not be counted toward determining whether a quorum is present. Your shares will be counted toward determining whether a quorum is present if you instruct your bank, broker or other nominee on how to vote your shares with respect to one or more of the HRG Proposals.

Revocability of Proxies and Changes to an HRG Stockholder's Vote

If you are an HRG stockholder of record, you may revoke or change your proxy at any time before it is exercised at the HRG Special Meeting by:

sending a written notice of revocation to Ehsan Zargar, Executive Vice President, Chief Operating Officer and General Counsel at HRG Group, Inc., 450 Park Avenue, 29th Floor, New York, New York

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10022, that is received prior to 12:00 p.m. (U.S. Eastern Time) on the day preceding the HRG Special Meeting, stating that you would like to revoke your proxy;

submitting a new proxy bearing a later date (by Internet, telephone or mail) that is received by HRG prior to 12:00 p.m. (U.S. Eastern Time) on the day preceding the HRG Special Meeting; or

attending the HRG Special Meeting and voting in person.

If you are an HRG stockholder whose shares of HRG Common Stock are held in street name by a bank, broker or other nominee, you may revoke your proxy or voting instructions and vote your shares in person at the HRG Special Meeting only in accordance with applicable rules and procedures as employed by your bank, broker or other nominee. If your shares are held in an account at a bank, broker or other nominee, you must follow the directions you receive from your bank, broker or other nominee in order to change or revoke your proxy or voting instructions and should contact your bank, broker or other nominee to do so.

Attending the HRG Special Meeting will NOT automatically revoke a proxy that was submitted through the Internet or by telephone or mail. ***You must vote by ballot at the HRG Special Meeting to change your vote.***

Solicitation of Proxies

The cost of solicitation of proxies from HRG stockholders will be borne by HRG. HRG will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of shares of HRG Common Stock. HRG has retained a professional proxy solicitation firm Georgeson LLC, to assist in the solicitation of proxies. HRG will bear the costs of the fees for the solicitation agent, which are not expected to exceed \$11,500, excluding out-of-pocket expenses. In addition to solicitations by mail, HRG's directors, officers and regular employees may solicit proxies personally or by telephone without additional compensation.

Attending the HRG Special Meeting

Subject to space availability and certain security procedures, all HRG stockholders as of the HRG Record Date, or their duly appointed proxies, may attend the HRG Special Meeting. Admission to the HRG Special Meeting will be on a first-come, first-served basis.

Each person attending the HRG Special Meeting must have proof of ownership of shares of HRG Common Stock, as well as a valid government-issued photo identification, such as a valid driver's license or passport, to be admitted to the meeting. If you hold your shares of HRG Common Stock in your name as a stockholder of record, you will need proof of ownership of shares of HRG Common Stock. If your shares of HRG Common Stock are held in the name of a bank, broker or other nominee and you plan to attend the HRG Special Meeting, you must present proof of your ownership of shares of HRG Common Stock, such as a bank or brokerage account statement, to be admitted to the meeting, and you must obtain a legal proxy from the bank, broker or other nominee to vote at the meeting.

Assistance

If you need assistance in completing your proxy card or have questions regarding the HRG Special Meeting, please contact Georgeson LLC, the proxy solicitation agent for HRG, by (i) mail at 1290 Avenue of the Americas, 9th Floor, New York, New York 10104, (ii) e-mail at HRGGroup@Georgeson.com or (iii) by telephone at (781) 575-2137 or

toll-free (888) 680-1529.

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HRG PROPOSALS

HRG Proposal 1: The HRG Section 203 Proposal

The HRG Charter provides that business combinations with interested stockholders will not be governed by Section 203 of the DGCL. HRG is asking its stockholders to approve an amendment to the HRG Charter whereby any business combination with an interested stockholder will be subject to Section 203 of the DGCL.

Consummation of the Merger is conditioned on approval of the HRG Section 203 Proposal.

Vote Required and HRG Board Recommendation

Approval of the HRG Section 203 Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. The HRG Section 203 Proposal also requires the consent of the holder of HRG preferred stock.

The HRG board of directors recommends a vote **FOR** the HRG Section 203 Proposal.

HRG Proposal 2: The HRG Reverse Stock Split Proposal

HRG is asking its stockholders to approve an amendment to the HRG Charter whereby each outstanding share of HRG Common Stock will, by means of a reverse stock split, be combined into a fraction of a share of HRG Common Stock equal to (i) (a) the number of shares of Spectrum Common Stock held by HRG and its subsidiaries as of immediately prior to the Effective Time, minus (b) (1) the sum of (x) HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing, minus (y) \$200,000,000, divided by (2) the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date, divided by (ii) as of immediately prior to the Reverse Stock Split, the sum of (without duplication) (a) the aggregate number of issued and outstanding shares of HRG Common Stock, (b) (1) the aggregate number of shares of HRG Common Stock subject to then-unexercised HRG stock options and warrants, minus (2) the number of shares of HRG Common Stock having a then-aggregate value equal to the aggregate exercise price of such unexercised HRG stock options and warrants, and (c) the number of shares of HRG Common Stock subject to HRG restricted stock awards, vested in full in accordance with terms of the Merger Agreement.

Consummation of the Merger is conditioned on approval of the HRG Reverse Stock Split Proposal.

Vote Required and HRG Board Recommendation

Approval of the HRG Reverse Stock Split Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. The HRG Reverse Stock Split Proposal also requires the consent of the holder of HRG preferred stock.

The HRG board of directors recommends a vote **FOR** the HRG Reverse Stock Split Proposal.

HRG Proposal 3: The HRG Common Stock Proposal

The HRG Charter provides that the total number of shares of common stock which HRG will have the authority to issue is 500 million. HRG is asking its stockholders to approve an amendment to the HRG Charter

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whereby the authorized number of shares of HRG Common Stock will decrease from 500 million shares to 200 million shares.

Consummation of the Merger is conditioned on approval of the HRG Common Stock Proposal.

Vote Required and HRG Board Recommendation

Approval of the HRG Common Stock Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. The HRG Common Stock Proposal also requires the consent of the holder of HRG preferred stock.

The HRG board of directors recommends a vote **FOR** the HRG Common Stock Proposal.

HRG Proposal 4: The HRG Preferred Stock Proposal

The HRG Charter provides that the total number of shares of preferred stock which HRG will have the authority to issue is 10 million. HRG is asking its stockholders to approve an amendment to the HRG Charter whereby the authorized number of shares of HRG preferred stock will increase from 10 million shares to 100 million shares.

Consummation of Merger is conditioned on approval of the HRG Preferred Stock Proposal.

Vote Required and HRG Board Recommendation

Approval of the HRG Preferred Stock Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. The HRG Preferred Stock Proposal also requires the consent of the holder of HRG preferred stock.

The HRG board of directors recommends a vote **FOR** the HRG Preferred Stock Proposal.

HRG Proposal 5: The HRG Section 382 Proposal

HRG is asking its stockholders to approve an amendment to the HRG Charter's Section 382 transfer restrictions. The Amended HRG Charter generally would retain transfer restrictions that prohibit any person from acquiring or disposing of any shares of HRG Common Stock (i) to the extent that after giving effect to such transfer, such person, or any other person by reason of such transfer, becomes a Substantial Holder as defined in the HRG Charter (generally, a holder of 4.9% or more of the HRG Common Stock or a person identified as a 5-percent shareholder of HRG under applicable Treasury regulations), (ii) if, before giving effect to the transfer, such person is identified as a 5-percent shareholder of HRG under applicable Treasury regulations or (iii) to the extent that the ownership percentage of any person that, prior to giving effect to such transfer, is a Substantial Holder of HRG would be increased. However, the Amended HRG Charter would adopt (x) certain modifications to the application of those transfer restrictions to HRG Common Stock otherwise issuable in the Merger and (y) certain exceptions to those transfer restrictions, including for certain distributions by Fortress and Leucadia to their respective members or stockholders, as applicable, and certain other transfers by Fortress and Leucadia.

Vote Required and HRG Board Recommendation

Approval of the HRG Section 382 Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. The HRG Section 382 Proposal

also requires the consent of the holder of HRG preferred stock.

The HRG board of directors recommends a vote **FOR** the HRG Section 382 Proposal.

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HRG Proposal 6: The HRG Additional Charter Amendments Proposal

HRG is asking its stockholders to approve the additional amendments contained in the Amended HRG Charter, which is included as Exhibit A to the Merger Agreement attached as Annex A hereto.

Vote Required and HRG Board Recommendation

Approval of each of the HRG Additional Charter Amendments Proposal requires the affirmative vote of the holders of a majority of outstanding shares of HRG Common Stock entitled to vote generally in the election of directors. The HRG Additional Charter Amendments Proposal also requires the consent of the holder of HRG preferred stock.

The HRG board of directors recommends a vote **FOR** the HRG Section 382 Proposal.

HRG Proposal 7: The HRG Share Issuance Proposal

HRG is asking its stockholders to approve the issuance of shares of HRG Common Stock in connection with the Merger. In the Merger, each Spectrum stockholder will receive, for each share of Spectrum Common Stock that is issued and outstanding as of immediately prior to the Effective Time and that is exchanged for the stock consideration, one share of HRG Common Stock.

Under NYSE rules, a company is required to obtain stockholder approval prior to the issuance of shares of common stock if the number of shares of common stock to be issued is, or will be upon issuance, equal to or in excess of 20% of the number of shares of common stock outstanding before the issuance of the common stock. If the Merger is completed pursuant to the Merger Agreement, HRG expects to issue up to approximately 21,211,947 shares of HRG Common Stock in connection with the Merger, depending upon the aggregate number of Spectrum Common Stock, Spectrum stock options, unvested Spectrum RSUs, Spectrum PSUs, and other Spectrum awards outstanding as of the Effective Time of the First Merger. Accordingly, the aggregate number of shares of HRG Common Stock that HRG will issue in the Merger will exceed 20% of the shares of HRG Common Stock outstanding before such issuance, and for this reason, HRG is seeking the approval of HRG stockholders for the issuance of shares of HRG Common Stock pursuant to the Merger Agreement.

Consummation of the Merger is conditioned on approval of the HRG Share Issuance Proposal.

Vote Required and HRG Board Recommendation

Approval of the HRG Share Issuance Proposal requires the affirmative vote of a majority of votes cast by HRG stockholders present in person or by proxy at the HRG Special Meeting and entitled to vote on the proposal.

The HRG board of directors recommends a vote **FOR** the HRG Share Issuance Proposal.

HRG Proposal 8: The HRG Adjournment Proposal

HRG is asking its stockholders to approve the adjournment of the HRG Special Meeting to another time and place if necessary or appropriate to solicit additional votes in favor of the HRG Additional Charter Amendment Proposals and the HRG Share Issuance Proposal. The Merger Agreement provides that the HRG Special Meeting will not be postponed or adjourned to a date that is more than thirty days after the date for which the HRG Special Meeting was originally scheduled without the prior written consent of Spectrum.

Consummation of the Merger is not conditioned on the approval of the HRG Adjournment Proposal.

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Vote Required and HRG Board Recommendation

Approval of the HRG Adjournment Proposal requires the affirmative vote of holders of a majority of shares of HRG Common Stock present in person or by proxy at the HRG Special Meeting and entitled to vote on such proposal.

The HRG board of directors recommends a vote **FOR** the HRG Adjournment Proposal.

HRG Proposal 9: The HRG Advisory Compensation Proposal

As required by Section 14A of the Exchange Act and the applicable SEC rules issued thereunder, which were enacted pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act, HRG is required to provide its stockholders the opportunity to vote to approve, on a non-binding, advisory basis, certain compensation that may be paid or become payable to HRG's named executive officers that is based on or otherwise relates to the Merger, as described in the section entitled *The Merger Interests of HRG Directors and Officers in the Merger*. Accordingly, HRG stockholders are being provided the opportunity to cast an advisory vote on such payments.

As an advisory vote, this proposal is not binding upon HRG or the HRG board of directors, and approval of this proposal is not a condition to completion of the Merger. Because the Merger-related executive compensation to be paid in connection with the Merger is based on the terms of the Merger Agreement as well as the contractual arrangements with HRG's named executive officers, such compensation will be payable, regardless of the outcome of this advisory vote, if the Merger Agreement is adopted (subject only to the contractual conditions applicable thereto). However, HRG seeks the support of its stockholders and believes that stockholder support is appropriate because HRG has a comprehensive executive compensation program designed to link the compensation of its executives with HRG's performance and the interests of HRG stockholders. Accordingly, holders of HRG Common Stock are being asked to vote on the following resolution:

RESOLVED, that the stockholders of HRG, Inc. approve, on an advisory, non-binding basis, certain compensation that may be paid or become payable to the named executive officers of HRG, Inc. that is based on or otherwise relates to the Merger, as disclosed pursuant to Item 402(t) of Regulation S-K under the heading *Interests of HRG's Directors and Officers in the Merger*.

Vote Required and HRG Board Recommendation

Approval of the HRG Advisory Compensation Proposal requires the affirmative vote of holders of a majority of shares of HRG Common Stock present in person or by proxy at the HRG Special Meeting and entitled to vote on such proposal.

The HRG board of directors recommends a vote **FOR** the HRG Advisory Compensation Proposal.

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*The following is a description of certain material aspects of the Merger. This description may not contain all of the information that may be important to you. The discussion of the Merger in this joint proxy statement/prospectus is qualified in its entirety by reference to the Merger Agreement, which is attached to this joint proxy statement/prospectus as Annex A, the form of the Amended and Restated Certificate of Incorporation and Second Restated Bylaws of HRG that will be in effect as of the closing of the Merger and the form of Post-Closing Registration Rights Agreement, which are included as Exhibits A, B and E, respectively, to the Merger Agreement, and the Post-Closing Stockholder Agreement, the HRG Voting Agreement, the Leucadia Voting Agreement and the Fortress Voting Agreement, which are attached to this joint proxy statement/prospectus as Annexes D, E, F and G, respectively. We encourage you to read carefully this entire joint proxy statement/prospectus, including the annexes and exhibits to, and the documents incorporated by reference in, this joint proxy statement/prospectus and the exhibits to the registration statement to which this joint proxy statement/prospectus relates, for a more complete understanding of the Merger and the documents incorporated by reference. This section is not intended to provide you with any factual information about Spectrum or HRG. Such information can be found elsewhere in this joint proxy statement/prospectus and in the public filings Spectrum and HRG make with the SEC, as described in *Where You Can Find More Information* and *Incorporation of Certain Documents by Reference*.*

General Description of the Merger

Under the terms of the Merger Agreement, (i) the HRG Charter will be amended and restated, as a result of which, among other things, the corporate name of HRG will change to Spectrum Brands Holdings, Inc., the share of HRG Series A Preferred Stock will automatically be cancelled without any action by the holder thereof and each share of HRG Common Stock will, by means of the Reverse Stock Split, be combined into a fraction of a share of HRG Common Stock equal to the Share Combination Ratio, (ii) immediately following the effectiveness of the Reverse Stock Split, in the First Merger, Merger Sub 1 will merge with and into Spectrum, with Spectrum surviving as a wholly owned subsidiary of HRG, and (iii) immediately following the effectiveness of the First Merger, but only if HRG or Spectrum does not receive a tax opinion that states the Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code, the surviving entity of the First Merger will merge with and into Merger Sub 2 in the Second Merger, pursuant to which Merger Sub 2 will survive as a wholly owned subsidiary of HRG.

Immediately upon consummation of the Merger, pre-closing Spectrum stockholders and pre-closing HRG stockholders are expected to own approximately 39% and 61%, respectively, of the outstanding shares of HRG Common Stock, and a total of approximately 54,174,580 shares of HRG Common Stock are expected to be outstanding. Such ownership percentages and share amount are based on (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock ending on April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment. Shares of Spectrum Common Stock currently trade on the NYSE under the symbol SPB, and shares of HRG Common Stock currently trade on the NYSE under the symbol HRG. Following the closing of the Merger, the shares of HRG Common Stock will be listed on the NYSE and are expected to trade under the symbol SPB.

Consideration To Be Received by the Spectrum Stockholders and Consequences of the Reverse Stock Split

Immediately prior to the Effective Time, each of the outstanding shares of HRG Common Stock will, by means of the Reverse Stock Split, be combined into a fraction of a share of HRG Common Stock equal to (i) (a) the number of shares of Spectrum Common Stock held by HRG and its subsidiaries as of immediately

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prior to the Effective Time, minus (b) (1) the sum of (x) HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing, minus (y) \$200,000,000, divided by (2) the volume-weighted average price of a share of Spectrum Common Stock for the 20-day trading period starting with the 21st trading day prior to the closing date, divided by (ii) as of immediately prior to the Reverse Stock Split, the sum of (without duplication) (a) the aggregate number of issued and outstanding shares of HRG Common Stock, (b) (1) the aggregate number of shares of HRG Common Stock subject to then-unexercised HRG stock options and warrants, minus (2) the number of shares of HRG Common Stock having a then-aggregate value equal to the aggregate exercise price of such unexercised HRG stock options and warrants, and (c) the number of shares of HRG Common Stock subject to HRG restricted stock awards, vested in full in accordance with terms of the Merger Agreement. Thereafter, each Spectrum share issued and outstanding immediately prior to the Effective Time will be converted into, subject to certain exceptions, into the right to receive one share of HRG Common Stock.

The following examples are presented for illustrative purposes only and do not reflect Spectrum's or HRG's expectations regarding share prices or ownership percentages following the Merger.

For example, based on (i) the 20-trading-day volume-weighted average price per share of Spectrum Common Stock of \$97.04 for the period ending on April 4, 2018, (ii) the number of shares of Spectrum Common Stock outstanding, the number of Shares of Spectrum Common Stock held by HRG and its subsidiaries and the number of shares of HRG Common Stock outstanding as of April 4, 2018, the latest practicable date before the filing of the accompanying joint proxy statement/prospectus, (iii) \$333.6 million of HRG net indebtedness and transaction expenses at closing, and (iv) a \$200.0 million upward adjustment:

in the Reverse Stock Split, the Share Combination Ratio will be 0.1623x and the 203,060,577 outstanding shares of HRG Common Stock will be converted into 32,962,633 shares of HRG Common Stock;

in the Merger, the 21,211,947 outstanding shares of Spectrum Common Stock that are not held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum will be converted into the right to receive 21,211,947 newly-issued shares of HRG Common Stock; and

after giving effect to the Reverse Stock Split and the Merger, pre-Merger Spectrum stockholders and pre-Merger HRG stockholders will own approximately 39.15% and 60.85% of the outstanding shares of HRG Common Stock, respectively.

If, on the other hand, the volume-weighted average price per share of Spectrum Common Stock for the period ending on the second business day prior to closing were higher or lower than the 20-trading-day volume-weighted average price per share of Spectrum Common Stock for the period ending on April 4, 2018, and all other values remained the same, the respective share ownership percentages of the current holders of HRG Common Stock and the current holders of Spectrum Common Stock would change.

In such case, if such average trading price increased by 10% to \$106.74, then:

in the Reverse Stock Split, the Share Combination Ratio would be 0.1629x and the 203,060,577 outstanding shares of HRG Common Stock would be converted into 33,087,826 shares of HRG Common Stock;

in the Merger, the 21,211,947 outstanding shares of Spectrum Common Stock that are not held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum would be converted into the right to receive 21,211,947 newly-issued shares of HRG Common Stock; and

after giving effect to the Reverse Stock Split and the Merger, Spectrum stockholders and HRG stockholders would own approximately 39.06% and 60.94% of the outstanding shares of HRG Common Stock, respectively; and

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in such case, if the average trading price decreased by 10% to \$87.34, then:

in the Reverse Stock Split, the Share Combination Ratio would be 0.1616x and the 203,060,577 outstanding shares of HRG Common Stock would be converted into 32,809,620 shares of HRG Common Stock (on a fully diluted basis);

in the Merger, the 21,211,947 outstanding shares of Spectrum Common Stock that are not held in the treasury of Spectrum or owned or held, directly or indirectly, by HRG or any subsidiary of HRG or Spectrum would be converted into the right to receive 21,211,947 newly-issued shares of HRG Common Stock; and

after giving effect to the Reverse Stock Split and the Merger, Spectrum stockholders and HRG stockholders would own approximately 39.27% and 60.73% of the outstanding shares of HRG Common Stock, respectively.

The Merger Consideration will be adjusted appropriately to reflect the effect of any stock dividend or any subdivision split (including a reverse stock split), combination or consolidation of shares, or any similar event resulting in a change in the number shares or class of outstanding shares of HRG Common Stock after the date of the Merger Agreement and prior to the Effective Time (in each case, other than the Reverse Stock Split).

No share of HRG Common Stock will be issued to any holder of Spectrum Common Stock to the extent such a share would result in such holder of Spectrum Common Stock holding Excess Merger Shares. Instead, pursuant to the Amended HRG Charter, Excess Merger Shares will be issued to an agent that will at HRG's direction either donate such Excess Merger Shares to a charitable organization qualifying under Section 501(c)(3) of the Code or escheat such Excess Merger Shares to the state of residence or incorporation or formation, as applicable, of such holder of Spectrum Common Stock.

Background of the Merger

HRG is the largest shareholder of Spectrum, with beneficial ownership of approximately 62% of Spectrum's Common Stock as of April 4, 2018, the latest practicable date before the filing of this joint proxy statement/prospectus. In connection with HRG's ownership in Spectrum, HRG and Spectrum are party to the Existing Stockholder Agreement, which is currently in effect, and, among other things, provides HRG with certain corporate governance and other rights (see *Material Agreements between the Parties*). The Spectrum board of directors currently consists of eight directors, including two directors affiliated with HRG, Messrs. Joseph Steinberg (currently the Chairman of the HRG board of directors and Chief Executive Officer of HRG) and Ehsan Zargar (currently the Executive Vice President, Chief Operating Officer and General Counsel of HRG).

The boards of directors and management of HRG and Spectrum each periodically and in the ordinary course review and assess their operations, performance, prospects and strategic direction, and evaluate and consider a variety of possible financial and strategic opportunities to find synergies or cost-savings or otherwise enhance shareholder value as part of their long-term business plans, including, exploration of possible capital markets offerings, rights offerings, acquisitions, and divestitures, including, in the case of HRG, its ownership interest in Spectrum. As part of its regular review, from time to time, the Spectrum board of directors and Spectrum management and the HRG board of directors and HRG management have periodically, including following the announcement by HRG that it was exploring strategic alternatives described below, engaged in discussions regarding the feasibility and attractiveness of one or

more potential transactions between Spectrum and HRG, including to explore whether a potential transaction would lead to a more efficient capital structure and unlock other benefits for each party.

On November 8, 2015, Fidelity & Guaranty Life (FGL), at that time a publicly traded, majority owned subsidiary of HRG engaged in the annuities and life insurance business, and Anbang Insurance Group Co., Ltd and its affiliates (Anbang) entered into an agreement and plan of merger providing for the acquisition of FGL

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by Anbang (such transaction, as well as the subsequent transaction entered into between FGL and CF Corporation on May 24, 2017, the FGL Sale). The initial outside date for the FGL Sale was November 7, 2016. At the time that transaction was entered into, HRG's principal assets were its majority ownership stakes in each of Spectrum and FGL, as well as a substantially smaller investment in Front Street Re Ltd., a wholly owned subsidiary of HRG engaged in the life and fixed annuity reinsurance business (Front Street).

On November 3, 2016, in light of the fact that certain regulatory approvals for the transaction had not yet been received, FGL and Anbang announced that they had entered into an amendment to the agreement and plan of merger they had previously entered into on November 8, 2015, in order to extend the outside date for the transaction from November 7, 2016 to February 8, 2017.

In early November, Omar Asali, at the time HRG's President and Chief Executive Officer conducted interviews of, and received presentations from, four nationally recognized investment banks, including J.P. Morgan and Jefferies LLC (Jefferies), to act as financial advisors to HRG in connection with HRG's review of strategic alternatives, including a potential transaction with Spectrum.

On November 16, 2016, the HRG board of directors held a meeting and reviewed with HRG's management and HRG's financial and legal advisors HRG's strategic alternatives and a range of potential strategic transactions and transaction structures, including potential strategic transactions and structures involving Spectrum, and discussed the opportunities, challenges and other considerations relating to such alternatives and potential transactions and transaction structures. At this meeting, the HRG board of directors (with consent of Mr. Maura) determined that in light of Mr. Maura's role at Spectrum, Mr. Maura would not participate in board deliberations regarding HRG's strategic review process other than those relating to the FGL Sale, unless requested to do so by the HRG board of directors.

Later in the day on November 16, 2016, Messrs. Asali and Steinberg informed representatives of Spectrum that HRG was going to publicly announce that it was conducting a review of HRG's strategic alternatives and that Mr. Asali had elected to leave HRG and resign from the Spectrum board of directors.

On November 17, 2016, HRG publicly announced that the HRG board of directors had initiated a process to explore strategic alternatives available to HRG, including a potential merger, sale or other business combination involving HRG or its assets with a view to maximizing shareholder value. Also, on November 17, 2016, HRG announced that Mr. Asali had elected to leave HRG (and resign as a director of Spectrum) in the second half of fiscal 2017 to establish an investment vehicle. Following such announcement, from time to time thereafter, Mr. Steinberg and other representatives of HRG discussed with members of Spectrum's board of directors and management HRG's intention to designate an individual to replace Mr. Asali on the Spectrum board of directors.

On November 28, 2016, Mr. Maura resigned his employment with HRG as Managing Director and Executive Vice President of Investments, while continuing to serve as a member of the HRG board of directors and as Executive Chairman of Spectrum.

On December 6, 2016, the HRG board of directors (other than Mr. Maura, who was not in attendance) held a meeting, with representatives of HRG's management in attendance, at which they discussed potential strategic alternatives and transactions available to HRG. At this meeting, the HRG board of directors determined to engage J.P. Morgan to act as an independent financial advisor in connection with its previously announced strategic review process. This determination was based on, among other things, the qualifications of J.P. Morgan, J.P. Morgan's familiarity with HRG and the HRG board of directors' determination as to the independence of J.P. Morgan in connection with the strategic review process based on its review of the relationship disclosure provided by J.P. Morgan to the HRG board

of directors. Additionally, following a discussion by the HRG board of directors (other than Messrs. Steinberg and Whittaker, who recused themselves for this portion of the discussion due to their affiliation with Jefferies), the participants determined to retain Jefferies as an additional financial advisor in connection with the strategic review process based on, among other things, the experience

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and capabilities of Jefferies (including its familiarity with HRG), and taking into account Jefferies' potential conflicts of interest, and subject to negotiation of mutually agreeable terms for such engagement, and that decision was approved by the HRG board of directors (including Messrs. Steinberg and Whittaker). Furthermore, the HRG board of directors determined to engage Davis Polk & Wardwell LLP ("Davis Polk") as its legal counsel in connection with the strategic review process. The decision to engage Davis Polk was based on, among other things, the qualifications of Davis Polk, Davis Polk's familiarity with HRG and the absence of material conflicts on the part of Davis Polk.

Over the next several weeks HRG's management and advisors reviewed and analyzed the strategic alternatives potentially available to HRG. During this period Messrs. Asali and Steinberg had a number of high-level conversations with Spectrum board members regarding the status of HRG's strategic review process. No specific proposals for a potential transaction between HRG and Spectrum were made during such conversations.

On January 17, 2017, HRG publicly filed with the SEC an amended Schedule 13D, announcing that as part of its previously announced exploration of strategic alternatives, it expected to discuss with and might make proposals to one or more of Spectrum, its management, its board of directors, its stockholders and other persons, including discussions and proposals regarding a merger, sale and/or a business combination involving HRG and Spectrum.

On January 24, 2017, in light of the fact that HRG's investment in Spectrum was HRG's largest asset and in anticipation of the possibility that HRG's review of strategic alternatives would likely include strategic alternatives involving Spectrum, the Spectrum board of directors determined that it would be advisable to form the Spectrum Special Committee of independent and disinterested directors. The Spectrum board of directors determined that the Spectrum Special Committee would consist of Messrs. Kenneth Ambrecht, Norman Matthews, Terry Polistina and Hugh Rovit, each of whom is an independent director of Spectrum and was determined by the Spectrum board of directors to be independent of HRG and its affiliates (other than Spectrum and its subsidiaries) and not to have a material interest in any reasonably foreseeable potential strategic alternatives relating to HRG or otherwise, or any other relationship, that would interfere with the exercise of independent judgment as a member of the Spectrum Special Committee. The resolutions passed by the Spectrum board of directors forming the Spectrum Special Committee authorized the Spectrum Special Committee to, among other things, (1) formulate, review, evaluate, negotiate, develop, propose, and reject strategic alternatives involving HRG or that may otherwise be available to Spectrum, and (2) engage independent legal, financial and other advisors on terms determined by the Spectrum Special Committee. The Spectrum board of directors further resolved not to recommend or approve any strategic alternatives involving Spectrum without the prior favorable recommendation of the Spectrum Special Committee.

On January 27, 2017, the Spectrum Special Committee engaged Kirkland & Ellis LLP ("Kirkland") to act as independent legal counsel to the Spectrum Special Committee. The decision to engage Kirkland was based on, among other things, the qualifications of Kirkland and the absence of material conflicts on the part of Kirkland. Prior to the formation of the Spectrum Special Committee, Messrs. Polistina and Nathan Fagre, General Counsel and Secretary of Spectrum, had conducted interviews of three law firms, including Kirkland, to act as independent legal counsel to the Spectrum Special Committee.

On February 1, 2017, the HRG board of directors (including Mr. Maura) held a meeting, with representatives of HRG's management in attendance, at which Mr. Asali discussed the status of HRG's strategic review process, which included consideration of a potential strategic transaction involving Spectrum and informed the HRG board of directors that the Spectrum board of directors had formed the Spectrum Special Committee.

On February 3, 2017, the Spectrum Special Committee, together with representatives of Kirkland, conducted interviews of, and received presentations from, four nationally recognized investment banks, including Moelis, to act as independent financial advisor to the Spectrum Special Committee.

On February 9, 2017, in light of the fact that certain regulatory approvals for the FGL Sale had not yet been received, FGL and Anbang announced that they had entered into a second amendment to the agreement and plan

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of merger they had previously entered into on November 8, 2015, in order to extend the outside date of the transaction from February 8, 2017 to April 17, 2017. In connection with the extension of the outside date for the transaction, the parties also amended the agreement and plan of merger to, among other things, permit FGL to solicit acquisition proposals from other potential acquirers.

On February 10, 2017, the Spectrum Special Committee held a meeting, with representatives of Spectrum's management and Kirkland in attendance. Representatives of Kirkland reviewed with the Spectrum Special Committee members certain legal matters, including the Spectrum Special Committee members' fiduciary duties and various considerations and process matters related to the Spectrum Special Committee's evaluation of strategic alternatives. The Spectrum Special Committee discussed and approved a set of guidelines (the Communication Guidelines) containing certain policies and restrictions regarding interactions and communications between the Spectrum Special Committee and other members of the Spectrum board of directors, Spectrum's management (including, for the avoidance of doubt, Mr. Maura), HRG, and other third parties in connection the Spectrum Special Committee's review and evaluation of strategic alternatives. The Spectrum Special Committee recognized the input of certain members of management would be valuable to the Spectrum Special Committee's process and accordingly determined that it would likely be appropriate from time to time to, in accordance with the Communication Guidelines, invite certain members of management to all or portions of certain Spectrum Special Committee meetings. The Spectrum Special Committee next discussed financial advisors and after discussion and consideration of the presentations made by each of the four investment banks on February 3, 2017, determined to retain Moelis as the Spectrum Special Committee's independent financial advisor. This determination was based on, among other things, the qualifications of Moelis and the Spectrum Special Committee's determination as to the independence of Moelis in connection with a potential strategic transaction based on its review of relationships disclosure provided by Moelis to the Spectrum Special Committee. Finally, after discussion, the Spectrum Special Committee unanimously elected Mr. Polistina to serve as its Chairman.

During the week of February 13, 2017, Messrs. Polistina and Steinberg, the Chairman of the HRG board of directors, discussed the status of HRG's review of strategic alternatives. During the course of this discussion, Mr. Steinberg informed Mr. Polistina that HRG was currently focused on the pending FGL Sale, but that if the Spectrum Special Committee wished to submit a proposal relating to a potential transaction between Spectrum and HRG, the HRG board of directors would be open to considering such a proposal.

On February 24, 2017, representatives of Moelis, at the direction of Mr. Polistina, made an introductory telephone call to Mr. Steinberg to discuss, among other things, the status and timing of the FGL Sale in light of the February 9, 2017 amendment to the agreement and plan of merger and in the context of a potential transaction between Spectrum and HRG.

Also on that day, Messrs. Polistina and Asali discussed the status and timing of the FGL Sale in the context of a potential transaction between Spectrum and HRG.

On February 27, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance. Mr. Douglas Martin, Executive Vice President and Chief Financial Officer of Spectrum, and Mr. Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. Representatives of Moelis and Kirkland reviewed on a preliminary basis, and the Spectrum Special Committee considered, a range of potential strategic alternative structures and scenarios that may be available to Spectrum as well as various financial, tax and other considerations related thereto. Among the strategic alternatives discussed during this review were various potential transactions between Spectrum and HRG, including (1) a merger between the companies following the FGL Sale, (2) a merger between the companies prior to the FGL Sale, (3) a distribution by HRG of its shares of FGL to HRG shareholders, immediately followed by a merger between HRG and Spectrum, and (4) a merger between HRG and Spectrum, immediately followed by a distribution of the shares of FGL held by the

combined company to former HRG shareholders. The Spectrum Special Committee and its advisors discussed the fact that if the FGL Sale was completed prior to a merger transaction between Spectrum and HRG, it would significantly reduce or eliminate the need to consider the value of, or conduct diligence on, FGL (although the historical and other businesses

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of HRG would still require due diligence) and would also eliminate any risk to Spectrum that the FGL Sale would fail to close. The representatives of Moelis also discussed with the Spectrum Special Committee the potential benefits to Spectrum's minority shareholders that could be achieved in a transaction with HRG. The Spectrum Special Committee directed Moelis and Kirkland to continue to progress their analysis of potential transaction structures involving HRG, focusing in particular on a potential merger that would follow the completion of the FGL Sale. The Spectrum Special Committee also directed Moelis and Kirkland to continue to consider other strategic alternatives not involving HRG, but acknowledged that such alternatives were unlikely to be feasible or as attractive for a variety of reasons, including, among others, because there were unlikely to be counterparties interested in such a transaction at that time that would be more attractive to both Spectrum and HRG (in light of HRG being Spectrum's controlling shareholder, most such transactions were unlikely to be feasible without HRG's support).

On March 9, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance. Mr. Andreas Rouvé, Chief Executive Officer of Spectrum, and Messrs. Martin and Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. Representatives of Kirkland and Moelis delivered a presentation analyzing, on a preliminary basis, potential merger structures between Spectrum and HRG assuming completion of the FGL Sale (including preliminary financial analyses by Moelis) and structural, tax, financing and other considerations related thereto. Also discussed during the presentation were certain key value components related to such a transaction, including the estimated value of HRG's assets and liabilities, which the representatives of Moelis noted would require further due diligence at the appropriate time. The Spectrum Special Committee and its advisors also discussed (1) the potential benefits to Spectrum and its minority shareholders that could be achieved from no longer having HRG as a controlling shareholder and (2) the expected pro forma ownership in a combined company of HRG's shareholders and specifically its two largest shareholders, Leucadia and Fortress. As part of this discussion, the Spectrum Special Committee discussed governance matters related to a transaction and potential standstill and transfer restrictions applicable to Leucadia and/or Fortress. Following discussion, the Spectrum Special Committee determined to further explore a potential merger between Spectrum and HRG following completion of the FGL Sale and directed Moelis to contact HRG or its representatives to indicate that the Spectrum Special Committee was evaluating such a transaction and that in connection with its evaluation, the Spectrum Special Committee would be interested in conducting due diligence on HRG.

On March 10, 2017, Moelis contacted HRG and indicated that the Spectrum Special Committee was evaluating a potential merger involving Spectrum and HRG and that it was interested in conducting due diligence on HRG in connection with its evaluation. Following this contact, Messrs. Steinberg and Zargar discussed the Spectrum Special Committee's request with the HRG board of directors.

On March 13, 2017, Kirkland, on behalf of the Spectrum Special Committee, sent a draft non-disclosure agreement to Davis Polk.

On March 14, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance. Messrs. Maura, Rouvé, Martin and Fagre were also present for a portion of the meeting at the invitation of the Spectrum Special Committee. Mr. Maura shared his perspectives regarding (1) certain benefits to Spectrum and its minority shareholders that he believed would result from a strategic transaction with HRG and (2) process and timing considerations related to such a transaction.

On March 20, 2017, Messrs. Asali and Polistina discussed a potential merger between Spectrum and HRG. Among other things, they discussed the assets and liabilities of HRG (other than HRG's shares of Spectrum Common Stock) that may be included in such a transaction and the related due diligence process. As part of this discussion, Mr. Asali indicated that if the parties were to enter into a transaction conditioned on prior completion of the FGL Sale, it was HRG's current working assumption that a transaction would involve the transfer into a solvent liquidating trust of

substantially all of HRG's non-core assets and liabilities (including Front Street and all of its other businesses and subsidiaries). Mr. Asali indicated that HRG's working assumption was that it would retain its (1) shares of Spectrum Common Stock, (2) debt remaining following the FGL Sale and expected

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paydown of HRG's debt with the sale proceeds, (3) cash, (4) certain NOLs and capital loss carryforwards (together with NOL carryforwards, the "Tax Attributes"), and (5) liabilities for transaction-related costs. Mr. Asali indicated that after the closing of the FGL Sale this liquidating trust would be spun off to HRG's shareholders and excluded from any potential transaction between Spectrum and HRG. Messrs. Asali and Polistina discussed HRG's view that establishing the liquidating trust would appear to eliminate the need for the parties to agree on the value of those excluded assets and liabilities of HRG (including Front Street) and may significantly reduce the scope of Spectrum's diligence process on HRG.

On March 22, 2017, HRG announced that the effective date of Mr. Asali's resignation (previously announced on November 17, 2016) from his position as President and Chief Executive Officer of HRG and his membership on each of the HRG board of directors and the Spectrum board of directors, would be April 14, 2017, and that at that time, Mr. Steinberg would become the Chief Executive Officer of HRG and Mr. Zargar would become the Chief Operating Officer of HRG.

On March 23, 2017, representatives of Moelis and J.P. Morgan discussed the status of the FGL Sale, the liquidating trust, the due diligence process and other aspects of a potential merger between Spectrum and HRG.

On March 24, 2017, the Spectrum Special Committee held a meeting to continue its discussion and evaluation of a potential transaction between Spectrum and HRG, with representatives of Kirkland and Moelis in attendance. Messrs. Martin and Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. Representatives of Moelis discussed with the Spectrum Special Committee a preliminary financial analysis related to a potential stock-for-stock merger between HRG and Spectrum following completion of the FGL Sale. The Spectrum Special Committee considered a range of potential exchange ratios for the potential merger, discussed various considerations for making a proposal to HRG and determined to further consider such matters at a subsequent meeting. Representatives of Kirkland also discussed with the Spectrum Special Committee certain matters relating to post-closing governance if a transaction with HRG were to be consummated. Following discussion, the Spectrum Special Committee determined that such governance and related terms should not be included in an initial proposal to HRG in the interest of engaging on economic terms first.

Later in the day on March 24, 2017, Spectrum and HRG entered into a non-disclosure agreement, which did not include a standstill provision.

On March 27, 2017, the Spectrum Special Committee held a meeting to continue its discussion of a potential transaction between Spectrum and HRG, with representatives of Kirkland and Moelis in attendance. Representatives of Moelis discussed with the Spectrum Special Committee financial analyses related to a potential stock-for-stock merger of the companies following the FGL Sale. The Spectrum Special Committee considered a range of potential exchange ratios for the merger, discussed the status of the due diligence of HRG and discussed the potential submission of a proposal to HRG later that week subject to further developments.

On March 30, 2017, HRG granted Spectrum, Deloitte & Touche LLP (tax advisor to Spectrum) ("Deloitte"), Moelis and Kirkland access to an electronic data room containing certain due diligence information.

On March 31, 2017, the Spectrum Special Committee held a meeting to review and approve the financial and other terms of an initial proposal to be made to HRG for a merger between the companies, with representatives of Kirkland and Moelis in attendance. Messrs. Martin and Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. Representatives of Kirkland and Moelis provided an update on the due diligence performed with respect to HRG and the potential transaction. The representatives of Moelis discussed with the Spectrum Special Committee financial analyses related to a potential stock-for-stock merger of the companies

following the FGL Sale. The Spectrum Special Committee considered a range of exchange ratios for the merger and, following discussion with its advisors and Spectrum's management, the Spectrum Special Committee approved the submission of a non-binding proposal for a

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stock-for-stock merger between Spectrum and HRG at an exchange ratio of 0.130 shares of Spectrum Common Stock for each share of HRG Common Stock, with the merger being subject to, among other things, (1) the closing of the FGL Sale and pay down of HRG debt with the sale proceeds, (2) the implementation of the liquidating trust and (3) the approval of the transaction by Spectrum shareholders, including a non-waivable majority of the minority vote.

Later in the day on March 31, 2017, representatives of Kirkland, on behalf of the Spectrum Special Committee, submitted the preliminary, non-binding proposal to HRG on the terms authorized by the Spectrum Special Committee.

On April 14, 2017, Mr. Asali's previously announced resignation from his positions as President and Chief Executive Officer of HRG and member of the HRG board of directors and Spectrum board of directors became effective. Mr. Steinberg replaced Mr. Asali as the Chief Executive Officer of HRG.

On April 17, 2017, FGL and Anbang announced the termination of the agreement and plan of merger they had previously entered into on November 8, 2015.

On April 25, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance, to discuss the status of the Spectrum Special Committee's March 31, 2017 proposal to HRG. Messrs. Rouvé, Martin and Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. The Spectrum Special Committee and its advisors noted that HRG appeared to be focused on the FGL Sale. In light of this, the Spectrum Special Committee determined not to engage in any further discussion with HRG pending a response to the March 31, 2017 proposal.

On May 3, 2017, the HRG board of directors (including Mr. Maura) held a meeting, with representatives of HRG's management in attendance, during which Messrs. Steinberg and Zargar described for the board the Spectrum Special Committee's March 31, 2017 proposal.

On May 24, 2017, FGL and CF Corporation announced that they had entered into an agreement and plan of merger, pursuant to which CF Corporation would acquire FGL, subject to satisfaction of certain closing conditions. Concurrently with and as part of such transaction, HRG agreed to sell its Front Street operating subsidiaries to CF Corporation. At the same time, HRG and CF Corporation, along with other related parties, entered into an agreement permitting an HRG subsidiary to elect to cause applicable CF Corporation subsidiaries to make joint elections under Section 338(h)(10) of the Code with respect to the FGL Sale, in which case the HRG subsidiary and/or a CF Corporation affiliate would be required to make one or more payments for the election to the other (the "338 Election Payments").

Commencing in early June 2017 and from time to time thereafter, representatives of HRG and Mr. Maura discussed at a high level HRG's views with respect to certain matters related to a potential transaction between HRG and Spectrum, including the proposal that the Spectrum Special Committee had delivered to HRG on March 31, 2017. These discussions were informational in nature and included, among other things, HRG's business strategy, discussions of potential transaction structures between HRG and Spectrum as well as the nature and appropriate treatment of HRG's assets (including Tax Attributes) and liabilities, and did not include a negotiation of the terms of the transaction on behalf of Spectrum or the Spectrum Special Committee.

Also commencing in early June 2017 and continuing for the next several months, HRG's management and financial advisors had preliminary exploratory conversations with a number of potential counterparties (both strategic and financial) regarding potential strategic transactions involving HRG, including the sale of HRG's interest in Spectrum or a merger or other business combination transaction involving HRG. None of these conversations progressed past the exploratory stage.

Between July 10, 2017 and July 21, 2017, Messrs. Steinberg and Zargar had a number of conversations with HRG's advisors regarding possible structures of a potential transaction involving HRG's shares of Spectrum Common Stock.

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On July 10, 2017, Mr. Steinberg e-mailed Mr. Maura requesting a meeting with the Spectrum Special Committee in order to discuss an alternative structure for a potential transaction between Spectrum and HRG. Mr. Maura forwarded the e-mail to the Spectrum Special Committee. Mr. Polistina subsequently arranged a Spectrum Special Committee meeting with Mr. Steinberg and other representatives of HRG to be held on July 20, 2017.

On July 20, 2017, the Spectrum Special Committee and representatives of Kirkland met with Messrs. Steinberg and Zargar and representatives of Davis Polk. The representatives of HRG described to the Spectrum Special Committee a potential transaction between Spectrum and HRG, which would not, as a matter of Delaware law, NYSE rules or the Spectrum Certificate of Incorporation, require Spectrum stockholder approval, whereby the number of shares of Spectrum Common Stock held by HRG would be adjusted for HRG's net debt and certain other items, and then, following such adjustment, would be distributed to HRG's shareholders. Following this distribution, HRG would transfer its remaining assets and liabilities into a liquidating trust and then HRG would dissolve (the Share Exchange Structure). Representatives of HRG also advised that they estimated the aggregate amount of HRG's Tax Attributes to be approximately \$1.6 billion (consisting of approximately \$1.2 billion of NOL and approximately \$400 million of capital loss carryforwards) and the parties agreed that irrespective of the structure pursued in a transaction between Spectrum and HRG, the Spectrum Special Committee and its advisors would need to diligence such Tax Attributes. The representatives of HRG noted that HRG contemplated obtaining a private letter ruling from the IRS in connection with the Share Exchange Structure, given certain complexities associated with a downstream reorganization of HRG into Spectrum. No specific proposal regarding the economic or other terms of the Share Exchange Structure was made at this meeting.

Over the subsequent weeks, (1) the Spectrum Special Committee's advisors further analyzed the feasibility and other considerations of the Share Exchange Structure and conducted further due diligence on HRG, including HRG's tax assets and liabilities (including the Tax Attributes), (2) representatives of Kirkland and Davis Polk began coordinating with respect to the preparation of a private letter ruling request to be submitted to the IRS in respect of the Share Exchange Structure and (3) Messrs. Steinberg and Zargar continued to keep the HRG board of directors apprised of the status of the ongoing discussions and the Spectrum Special Committee's advisors continued to keep the Spectrum Special Committee apprised of the status of the ongoing discussions.

On July 25, 2017, the Spectrum board of directors held a regularly scheduled meeting. As part of its regular strategic review process, and unrelated to and separate from the Spectrum Special Committee's ongoing consideration of a potential transaction with HRG, the Spectrum board of directors authorized management to explore a potential divestiture of all or part of one or both of Spectrum's global batteries business and global appliances business (collectively, the GBA Businesses) to one or more third parties. After this date, Spectrum began a process of exploring, and engaged in conversations with third parties regarding, a potential divestiture of one or both of the GBA Businesses, including through a sale of the business or a spin-off of one or both of the GBA Businesses followed by a merger of those business units with a third party (a so-called reverse morris trust transaction).

On August 2, 2017, the HRG board of directors (other than Mr. Maura, who was not in attendance) held a meeting, with representatives of HRG's management in attendance, during which the HRG board of directors discussed the status of a potential strategic transaction involving Spectrum and the various alternatives that were under consideration by HRG's management and advisors.

On August 8, 2017, the HRG board of directors held a meeting, with representatives of HRG's management in attendance, during which the HRG board of directors discussed a potential strategic transaction involving Spectrum. At the invitation of Mr. Steinberg, Mr. Maura provided his perspective on a potential transaction between HRG and Spectrum. At neither this meeting nor any other meeting of the HRG board of directors in which Mr. Maura participated in connection with a potential transaction between Spectrum and HRG did Mr. Maura act on behalf of the

Spectrum Special Committee or otherwise negotiate terms of the potential

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transaction on behalf of Spectrum. Mr. Steinberg reviewed the terms of the potential proposal and identified elements of the potential proposal that required further consideration by HRG's management. Following discussion, the HRG board of directors determined that Mr. Steinberg should work with HRG's management and advisors to finalize the proposal in a manner consistent with the board discussion and, once finalized, management of HRG should make the proposal discussed during the meeting.

On August 10, 2017, the Spectrum Special Committee held a meeting to discuss, among other things, the Share Exchange Structure, with representatives of Kirkland and Moelis in attendance. Messrs. Martin and Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. Representatives of Kirkland and the Spectrum Special Committee discussed the subject of a Spectrum shareholder vote in connection with the Share Exchange Structure and following such discussion the Spectrum Special Committee concluded that, notwithstanding the fact that the Share Exchange Structure did not require Spectrum shareholder approval under the Spectrum Certificate of Incorporation, Delaware law or the rules of the NYSE, it would still be appropriate to condition a transaction with HRG, including the Share Exchange Structure, on a non-waivable majority of the minority vote (as was the case in the Spectrum Special Committee's March 31, 2017 proposal to HRG).

On August 24, 2017, the Spectrum Special Committee held a meeting to discuss the status of the potential transaction with HRG, with representatives of Kirkland and Moelis in attendance. In light of the Spectrum board of directors determination to explore potential divestitures of the GBA Businesses, the Spectrum Special Committee discussed whether there could be benefits to exploring a divestiture of all or a portion of the GBA Businesses to HRG as a potential alternative transaction structure. Representatives of Moelis and Kirkland provided preliminary views regarding the viability, merits and considerations of a divestiture of the GBA Businesses to HRG through a tax-free non-pro rata split-off in exchange for the redemption of a portion of the shares in Spectrum held by HRG (the "GBA Split-Off Structure"). Representatives of Moelis also updated the Spectrum Special Committee on the tax due diligence conducted over the prior several weeks by Spectrum's management, Deloitte, and the Spectrum Special Committee's advisors in connection with the Share Exchange Structure. The Spectrum Special Committee directed its advisors to further explore the potential GBA Split-Off Structure in parallel with the continued evaluation of the Share Exchange Structure and associated due diligence.

Also on August 24, 2017, HRG entered into an engagement letter with J.P. Morgan.

On August 31, 2017, the Spectrum board of directors appointed Mr. Zargar as a director of Spectrum to fill the vacancy created by the resignation of Mr. Asali on April 14, 2017.

On September 5, 2017, Davis Polk submitted, on behalf of HRG, a request for a private letter ruling to the IRS in respect of the Share Exchange Structure.

On September 9, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance. At the meeting, the advisors updated the Spectrum Special Committee on the ongoing work being conducted by its advisors regarding the Share Exchange Structure and the GBA Split-Off Structure, including due diligence of HRG's Tax Attributes. Additionally, at the direction of the Spectrum Special Committee, Moelis reviewed standalone valuation analyses of the GBA Businesses. Representatives of Kirkland also reviewed with the Spectrum Special Committee members certain legal matters, including the members' fiduciary duties, considerations in transactions involving controlling shareholders, and the interaction between the Spectrum Special Committee's ongoing review of a potential transaction with HRG and Spectrum's independent consideration of a sale of the GBA Businesses. The Spectrum Special Committee and its advisors also discussed upcoming meetings with HRG regarding a potential transaction, including tax and structuring matters, that were scheduled for September 11 and 12, 2017.

On September 11, 2017, Mr. Polistina and representatives of Moelis met with Messrs. Steinberg and Zargar to discuss a potential transaction between Spectrum and HRG. In addition to discussion of the Share Exchange Structure, Mr. Polistina and Moelis raised for discussion the potential GBA Split-Off Structure to evaluate

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whether HRG would have any interest in pursuing a transaction of this nature. At that meeting, Mr. Steinberg stated that while HRG was continuing to review the GBA Split-Off Structure, it likely was not interested in pursuing such transaction because it was not sufficiently attractive. No specific proposal regarding the economic or other terms of the Share Exchange Structure, the GBA Split-Off Structure or any other transaction between Spectrum and HRG was made at this meeting.

On September 12, 2017, Mr. Polistina, representatives of Spectrum's management, Kirkland and certain other of the Spectrum Special Committee's advisors met with Messrs. Steinberg and Zargar and representatives of Davis Polk, certain of the HRG board of directors' other advisors and representatives of Leucadia to discuss various tax and structural matters related to a potential transaction between Spectrum and HRG. The discussion covered a range of potential transaction structures that could achieve the parties' objectives with respect to the Tax Attributes and the relevant considerations for each, including a downstream reorganization of HRG with Spectrum, a merger of Spectrum with a subsidiary of HRG, reverse morris trust transaction, a split-off of certain Spectrum business units in which HRG would exchange its Spectrum shares for stock in the split-off entity and a spin-off of certain Spectrum business units followed by an exchange of HRG's shares in Spectrum for shares in the spun-off entity and a merger of the remaining Spectrum entity with a third party (a so-called morris trust transaction).

On September 25, 2017, the HRG board of directors held a meeting, with representatives of HRG's management, Davis Polk, J.P. Morgan and Jefferies in attendance. At the invitation of Mr. Steinberg, Mr. Maura provided an update on the business and results of operations of Spectrum as well as an update on the potential Batteries Divestiture. Following such update Mr. Maura left the meeting, after which the other members of the HRG board of directors discussed, among other things, the terms of a potential transaction between HRG and Spectrum. In addition, the HRG board of directors discussed potential conflicts of interest relating to Fortress or Leucadia that could arise in such a transaction. The HRG board of directors determined that any elements of such a transaction that presented such a conflict of interest would be negotiated under the supervision and direction of the disinterested and independent members of the HRG board of directors and that the interested members of the HRG board of directors would recuse themselves from the applicable board discussions, following which the disinterested directors would consider the matter in an executive session, and determine how to proceed. Messrs. Steinberg, McKnight and Whittaker were then excused and the disinterested and independent members of the HRG board of directors then continued the discussion of governance matters and reviewed and discussed the potential terms of an engagement letter for Jefferies, and based upon, among other things, the experience and capabilities of Jefferies (including its familiarity with HRG), and taking into account Jefferies' potential conflicts of interest, and the compensation structure and amount of Jefferies' fees, instructed HRG's management to seek to finalize Jefferies' engagement letter.

On September 27, 2017, at a meeting requested by Mr. Steinberg, Mr. Steinberg delivered to Mr. Polistina a written proposal for a transaction based on the Share Exchange Structure in which, among other things, (1) HRG's shareholders would receive a number of shares of Spectrum Common Stock equal to the number of shares of Spectrum Common Stock held by HRG, (2) Spectrum would assume HRG's outstanding net debt, without any adjustments, (3) HRG's shareholders would receive an additional cash payment equal to the difference between \$602 million and the amount of HRG's net debt, which consideration represented a control premium as well as value for HRG's Tax Attributes, (4) a liquidating trust would be established to hold certain assets and liabilities of HRG, and (5) because the transaction would not require Spectrum shareholder approval pursuant to the Spectrum Certificate of Incorporation, Delaware law or NYSE rules, no majority of the minority approval of Spectrum's shareholders would be required as a condition to the closing of a transaction.

In late September 2017, Mosaic Acquisition Corp. (Mosaic Acquisition), a special purpose acquisition investment vehicle formed by Mr. Maura and an affiliate of Fortress Parent, conducted an initial public offering, following which Mr. Maura began to serve as the public company's Chairman, President and Chief Executive Officer. The initial public

offering of Mosaic Acquisition was underwritten by J.P. Morgan, among others. For additional discussion, see *The Merger Interests of Spectrum's Directors and Officers in the Merger* and *The Merger Opinion of HRG's Financial Advisor*.

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On October 2, 2017, the Spectrum Special Committee held a meeting to discuss HRG's September 27, 2017 proposal, with representatives of Kirkland and Moelis in attendance. Representatives of Moelis discussed with the Spectrum Special Committee financial analyses of HRG's September 27, 2017 proposal, including the impact of a transaction on such terms to Spectrum's minority shareholders. Following discussion, the Spectrum Special Committee determined that the proposal was not attractive to, and was not in the best interests of, Spectrum and its minority shareholders. In light of this determination, Mr. Polistina and Moelis were directed to inform HRG and its representatives that the September 27, 2017 proposal was not attractive to Spectrum and its minority shareholders, but that the Spectrum Special Committee remained interested in exploring a mutually beneficial transaction with HRG. The Spectrum Special Committee and representatives of Kirkland also discussed the status of Spectrum's potential transaction involving the GBA Businesses and the potential interaction of any such transaction with a potential transaction with HRG.

On October 2, 2017, Mr. Polistina sent the Spectrum Special Committee's response discussed at the Spectrum Special Committee meeting held earlier that day to Messrs. Steinberg and Zargar.

Over the next week, Mr. Polistina and representatives of Moelis engaged in numerous discussions with representatives of HRG regarding HRG's September 27, 2017 proposal. Mr. Polistina updated the other members of the Spectrum Special Committee on such discussions and Messrs. Steinberg and Zargar updated the HRG board of directors on such discussions. The representatives of Moelis and J.P. Morgan discussed the valuation gap relating to the parties' differing preliminary valuations of the HRG Tax Attributes as well as HRG's request to receive compensation for surrendering control of Spectrum and various transaction mechanisms that could be utilized to address such valuation gap, including Spectrum issuing contingent value rights to HRG related to the utilization of HRG's Tax Attributes.

On October 9, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance, to discuss potential responses to HRG's September 27, 2017 proposal. Moelis discussed with the Spectrum Special Committee financial analyses regarding a range of potential responses, based on the Share Exchange Structure, including analysis regarding a proposal providing for (1) an adjustment to the number of shares of Spectrum Common Stock held by HRG for HRG's net debt and for the transaction and financing costs of both parties, (2) a 75%/25% split in favor of Spectrum of the value created from the elimination of the discount in the trading price of HRG Common Stock and HRG's sum of the parts valuation, (3) the parties entering into a tax receivable agreement (a TRA) entitling HRG's shareholders to cash payments which, in combination with their continued ownership of the combined company, would provide them with 75% of the value realized by the combined company from the utilization of HRG's Tax Attributes (the Net Effective Tax Attribute Savings), (4) HRG's establishment of a liquidating trust, and (5) conditioning the transaction on a non-waivable vote of the majority of the minority Spectrum shareholders. The Spectrum Special Committee discussed with its advisors the various potential responses, including the potential benefits of providing HRG with realized rather than upfront value for HRG's Tax Attributes, including eliminating the impact of uncertainty regarding future tax rates. Following discussion, the Spectrum Special Committee approved the terms of a proposal and authorized Moelis to deliver the proposal to HRG.

On October 10, 2017, Moelis submitted a written proposal to HRG on the terms approved by the Spectrum Special Committee at the October 9, 2017 meeting. After HRG received the October 10, 2017 proposal, Messrs. Steinberg and Zargar discussed it with the HRG board of directors.

On October 16, 2017, HRG entered into an engagement letter with Jefferies.

On October 25, 2017, the board of directors of HRG held a meeting, with representatives of HRG's management, Davis Polk, J.P. Morgan and Jefferies in attendance. At the meeting, Mr. Steinberg updated the HRG board of directors on the status of discussions with the Spectrum Special Committee regarding the potential transaction, and

reviewed the terms of the Spectrum Special Committee's October 10, 2017 proposal. He noted there remained a substantial difference between HRG's and Spectrum Special Committee's positions. At the

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invitation of Mr. Steinberg, Mr. Maura joined the meeting to provide his perspective on a potential transaction with Spectrum, and thereafter Mr. Maura left the meeting. Representatives of J.P. Morgan then reviewed with the other members of the HRG board of directors the proposals made by HRG and Spectrum on September 27, 2017 and October 10, 2017, respectively, and the HRG board of directors discussed the fundamental differences between the proposals. Mr. Steinberg stated his view that because he believed Spectrum may not be willing to pay HRG compensation for surrendering control over Spectrum or compensate HRG for the value of its Tax Attributes, HRG should terminate discussions with the Spectrum Special Committee and pursue other strategic alternatives. After further discussion among the HRG directors, it was the sense of the board that HRG management should continue to engage with the Spectrum Special Committee and try to negotiate a mutually beneficial transaction.

On October 30, 2017, representatives of HRG made a proposal to the Spectrum Special Committee for a transaction utilizing the Share Exchange Structure, which the parties had explored during discussions in July of 2017. The proposal differed from the Spectrum Special Committee's last proposal in that, among other things, (1) it contemplated an incremental \$100 million adjustment in HRG's favor as a payment for its capital loss carryforwards, (2) cash payments under the TRA, along with their continued ownership in the combined company, would entitle HRG's shareholders to 90% of any net effective NOL savings (rather than the 75% previously proposed by the Spectrum Special Committee), (3) HRG's shareholders would retain the benefit of the elimination of the discount in the trading price of HRG Common Stock and HRG's sum of the parts valuation, (4) HRG's shareholders would receive a number of warrants equal to the net reduction in the number of shares of Spectrum Common Stock resulting from the adjustments described above, (5) Spectrum would bear the transaction and financing costs of both parties, (6) Spectrum would owe a \$100 million termination fee in the event the transaction failed to close due to not obtaining the majority of the minority Spectrum shareholder vote, and (7) HRG would be entitled to designate two directors (out of a proposed 10 total directors) to the post-closing board of directors of the combined company.

On October 31, 2017, representatives of J.P. Morgan and Moelis had a meeting to discuss the parties' respective positions and proposals.

On November 1, 2017, the Spectrum Special Committee held a meeting to discuss HRG's October 30, 2017 proposal, with representatives of Kirkland and Moelis in attendance. Prior to the representatives of Moelis joining the meeting, the Spectrum Special Committee discussed that Mr. Polistina had been asked to participate in a potential business opportunity that Mr. Maura had been considering involving an affiliate of Fortress, and in light of the Spectrum Special Committee's process, Mr. Polistina had determined that it would not be appropriate to participate in such opportunity and had informed Mr. Maura of the same. The other members of the Spectrum Special Committee engaged in a discussion regarding this matter and determined that this had no impact on Mr. Polistina's independence or ability to serve on the Spectrum Special Committee and that no changes to the Spectrum Special Committee's process were warranted. Following such discussion, the representatives of Moelis joined the meeting and discussed with the Spectrum Special Committee a financial analysis of HRG's October 30, 2017 proposal, including the impact of a transaction on such terms to Spectrum's minority shareholders. The Spectrum Special Committee determined that the proposal was not attractive to, and was not in the best interests of, Spectrum and its minority shareholders. In light of this determination, the Spectrum Special Committee directed Mr. Polistina to communicate to the HRG board of directors that while the Spectrum Special Committee was willing to continue exploring a potential transaction with HRG, the terms would have to be mutually beneficial for both parties.

Later that day, Mr. Polistina, on behalf of the Spectrum Special Committee, sent an e-mail to the HRG board of directors rejecting HRG's October 30, 2017 proposal and communicating the message discussed by the Spectrum Special Committee at its meeting earlier that day.

On November 2, 2017, Mr. Polistina and representatives of HRG, Moelis, J.P. Morgan and Jefferies participated in a conference call during which they discussed HRG's October 30, 2017 proposal, HRG's desire to receive a greater amount of compensation for surrendering control over Spectrum and for the value of the Tax

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Attributes, and the Spectrum Special Committee's October 10, 2017 proposal, in an effort to identify potential opportunities to bridge those differences.

On November 2, 2017, Spectrum's management approached Kirkland about the possibility of Kirkland representing Spectrum on antitrust matters in connection with the Batteries Divestiture due to the fact that the chair of the antitrust practice at Paul, Weiss, Rifkind, Wharton & Garrison LLP, Spectrum's outside legal counsel on the Batteries Divestiture at the time, was nominated to become the Chairman of the Federal Trade Commission. Subsequently and following approval by the Spectrum Special Committee on November 3, 2017, Kirkland was engaged to represent Spectrum on such matters. Subsequently, in late November, at the request of Spectrum's management and following approval by Mr. Polistina (and which approval was confirmed by the Spectrum Special Committee), Kirkland was engaged to represent Spectrum on corporate matters on the Batteries Divestiture. In both instances, the Spectrum Special Committee determined that Spectrum's retention of Kirkland would not create a conflict of interest or compromise Kirkland's independence and was in Spectrum's and its minority shareholders' best interests, including because of Kirkland's familiarity with Spectrum from its work with the Spectrum Special Committee as well as Kirkland's familiarity with certain aspects of the Batteries Divestiture due to the Spectrum Special Committee's previous evaluation of the GBA Split-Off Structure, putting Kirkland in a good position to commence work quickly on the Batteries Divestiture which was expected to proceed on an accelerated timeline.

On November 3, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance, to receive an update on recent discussions between Moelis and Mr. Polistina and representatives of HRG, determine whether it would be advisable to make a proposal to HRG, and if so, decide the appropriate terms. Representatives of Moelis discussed with the Spectrum Special Committee financial analyses regarding a range of potential proposals, based on the Share Exchange Structure, including analysis regarding a proposal providing for (1) an adjustment for HRG's net debt and for the transaction and financing costs of both parties, (2) the receipt by HRG's shareholders of 75% of any Net Effective Tax Attribute Savings payable through a TRA, in cash or in stock at the election of Spectrum, (3) no issuance of the warrants contemplated in HRG's October 30, 2017 proposal but the acceptance of HRG's proposal that HRG's shareholders retain the benefit of the elimination of the discount in the trading price of HRG Common Stock and HRG's sum of the parts valuation, and (4) the establishment of a liquidating trust to hold certain assets and liabilities of HRG. Representatives of Kirkland then discussed with the Spectrum Special Committee various non-economic considerations related to a potential transaction with HRG, including the proposed termination fee in the event the majority of the minority Spectrum shareholder vote was not obtained, post-closing board composition and potential ongoing nomination rights for one or both of Leucadia and Fortress, and the potential for a post-closing shareholder agreement providing for customary standstills and/or lock-ups for one or both of Leucadia and Fortress. Following discussion, the Spectrum Special Committee determined to make a proposal on the basis of the economic terms reviewed with Moelis, but directed Moelis to first preview such terms with HRG prior to any submission of a formal proposal.

On November 6 and 7, 2017, representatives of Moelis had conference calls with a representative of HRG to preview the economic terms of the Spectrum Special Committee's potential proposal.

On November 8, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance. The representatives of Moelis summarized their recent interactions with HRG and noted that HRG seemed to be willing to consider the Spectrum Special Committee's contemplated proposal. Representatives of Kirkland then discussed with the Spectrum Special Committee a possible approach to certain non-economic terms that could be incorporated in a proposal, including (1) Leucadia and Fortress being subject to a post-closing lock-up expiring at the earlier of (a) three years and (b) the utilization of HRG's Tax Attributes, (2) the two existing HRG-designated directors on the Spectrum board of directors continuing on the post-closing board of directors of the combined company through the end of their current terms, (3) Leucadia receiving a continuing post-closing

nomination right to appoint a director with respect to one of the two board seats currently held by HRG designated directors as described in clause (2) for so long as it owned at least 10% of Spectrum s

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Common Stock (and being subject to a customary standstill for so long as its nominee serves on the Spectrum board of directors), and (4) a rejection of HRG's October 30, 2017 proposal for a termination fee in the event the majority of the minority Spectrum shareholder vote was not obtained. Following discussion, the Spectrum Special Committee approved such non-economic terms and directed its advisors to submit a comprehensive proposal to HRG at the further direction of Mr. Polistina.

On November 9, 2017, at the direction of Mr. Polistina, Moelis delivered the proposal approved at the November 8, 2017 Spectrum Special Committee meeting to HRG. Following HRG's receipt of the November 9, 2017 proposal from Moelis, Messrs. Steinberg and Zargar discussed it with the HRG board of directors.

On November 13 and 14, 2017, Mr. Steinberg and representatives of Moelis held separate telephone conferences during which Mr. Steinberg provided HRG's feedback on the Spectrum Special Committee's November 9, 2017 proposal.

On November 15, 2017, the HRG board of directors held a meeting, with representatives of HRG's management, J.P. Morgan and Jefferies in attendance. Mr. Maura discussed Spectrum's performance, after which he was excused from the meeting. The other members of the HRG board of directors then discussed the proposal delivered by Moelis on November 9, 2017. The HRG board of directors developed a proposed response to the Moelis proposal, and directed Mr. Steinberg to deliver its feedback to Moelis.

On November 30, 2017, the FGL Sale and the sale of HRG's Front Street operating subsidiaries to CF Corporation were consummated.

In early December, in the course of discussions regarding the preparation of the proxy statement for Spectrum's 2018 annual meeting, representatives of HRG conveyed to Spectrum's management that prior to the filing of such proxy it would be important for HRG to have a better understanding of whether a transaction between Spectrum and HRG was likely to be agreed prior to such annual meeting.

On December 6, 2017, Moelis held a telephone conference with representatives of J.P. Morgan and Jefferies during which representatives of J.P. Morgan, at the direction of HRG management, orally previewed the terms of a proposal that HRG would be delivering to the Spectrum Special Committee in writing the following day. The terms outlined by representatives of J.P. Morgan were based on the Share Exchange Structure and contemplated, among other things, (1) an adjustment for HRG's net debt, (2) Spectrum bearing the transaction and financing costs of both parties, (3) the parties entering into a TRA providing HRG's shareholders with the first \$303 million of value realized from Spectrum's utilization of HRG's Tax Attributes, paid in the form of shares of the combined company, (4) the establishment of a liquidating trust, (5) acceptance of the Spectrum Special Committee's requirement that the transaction be conditioned on a non-waivable majority of the minority Spectrum shareholder vote (with no termination fee in the event this vote was not obtained), (6) Leucadia and Fortress not being subject to a post-closing lock-up, (7) the two existing HRG-designated directors on the Spectrum board of directors continuing on the post-closing board of directors of the combined company through the end of their current terms, as proposed by the Spectrum Special Committee, but with HRG having the right to designate one additional director at closing, and (8) acceptance of the Spectrum Special Committee's proposal that Leucadia receive a continuing post-closing nomination right to one of the board seats referenced in clause (7) for so long as it owned at least 10% of Spectrum Common Stock (and being subject to a customary standstill for so long as its nominee serves on the Spectrum board of directors).

On December 7, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland and Moelis in attendance. Representatives of Moelis summarized the terms of the HRG proposal that representatives of J.P. Morgan had previewed to Moelis on December 6, 2017. Following discussion, the Spectrum Special Committee

concluded that a transaction on the terms described by representatives of J.P. Morgan was not attractive to, and not in the best interests of, Spectrum and its minority shareholders. The Spectrum Special Committee further determined that, assuming the pending written proposal from HRG was

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consistent with the terms previewed, upon receipt of the proposal, Mr. Polistina should send an e-mail to the HRG board of directors on behalf of the Spectrum Special Committee rejecting HRG's proposal.

Later on December 7, 2017, at the direction of HRG management, representatives of J.P. Morgan, on behalf of HRG, formally delivered the written proposal to the Spectrum Special Committee, which provided for terms substantially similar to those previewed by representatives of J.P. Morgan to Moelis on December 6, 2017.

On December 8, 2017, Mr. Polistina, on behalf of the Spectrum Special Committee, sent an e-mail to the HRG board of directors rejecting HRG's December 7, 2017 proposal.

On December 9, 2017, at the direction of HRG management, representatives of J.P. Morgan and Jefferies, on behalf of HRG, called Moelis to deliver modifications to the terms of HRG's December 7, 2017 proposal regarding the TRA construct and approach to transaction and financing costs. The modified terms were that, among other things, (1) the transaction costs of both parties (other than any financing costs) would be borne by HRG subject to a \$50 million cap, and (2) rather than providing HRG shareholders with the first \$303 million of tax savings realized from the utilization of HRG's Tax Attributes, HRG's shareholders would instead receive 75% of any Net Effective Tax Attribute Savings paid in the form of shares of the combined company.

Although the Spectrum Special Committee had previously determined that Kirkland's retention on the Batteries Divestiture would not impair Kirkland's ability to serve as independent counsel to the Spectrum Special Committee, out of an abundance of caution and in light of increasing activity and developments with respect to a potential Batteries Divestiture and a potential transaction with HRG, in early December, 2017, the Spectrum Special Committee determined it would be advisable to retain additional independent counsel.

During the week of December 11, 2017, Mr. Polistina, on behalf of the Spectrum Special Committee, conducted interviews with three law firms, including Cleary Gottlieb Steen & Hamilton LLP (Cleary). Following such interviews and after discussing with the other members of the Spectrum Special Committee, Mr. Polistina decided to recommend that the Spectrum Special Committee retain Cleary.

On December 13, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance, to discuss HRG's December 9, 2017 proposal. The Spectrum Special Committee and its advisors discussed the terms of that proposal and the impact on Spectrum and its minority shareholders. The Spectrum Special Committee and its advisors then discussed a potential proposal to HRG. The principal differences between the potential proposal and the terms of HRG's December 9, 2017 proposal were: (1) the transaction costs and financing costs of both parties would be borne by HRG, subject to a \$40 million cap, (2) certain value related adjustments to the TRA arrangement and the share exchange, (3) Leucadia and Fortress being subject to an 18-month post-closing lock-up, and (4) HRG not having the right to designate one additional director at closing. Following discussion, the Spectrum Special Committee authorized Moelis to deliver the proposal to J.P. Morgan and also authorized Mr. Polistina and the representatives of Moelis to offer fallback positions on certain terms, including the length of the lock-up period and aspects of the share exchange value adjustments, to the extent additional flexibility was required during the course of negotiations. The Spectrum Special Committee approved Cleary's engagement as independent legal counsel to the Spectrum Special Committee to act alongside Kirkland in that role. The decision to engage Cleary was based on, among other things, the qualifications of Cleary and the absence of material conflicts on the part of Cleary.

Later in the day on December 13, 2017, Moelis, on behalf of the Spectrum Special Committee, delivered the Spectrum Special Committee's proposal to J.P. Morgan on the terms approved by the Spectrum Special Committee earlier that day.

On December 15, 2017, Mr. Maura informed HRG that he was resigning from the HRG board of directors and later that day HRG announced Mr. Maura's resignation from the HRG board of directors, effective as of December 31, 2017.

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Also on December 15, 2017, the HRG board of directors (other than Mr. Maura, who was not in attendance) held a meeting, with representatives of HRG's management and Davis Polk in attendance, to discuss the proposal delivered by Moelis on December 13, 2017. The HRG board of directors reviewed the proposal and discussed its response. The HRG board of directors decided that, due to, among other things, the additional complexities of the Share Exchange Structure, HRG should pursue a simpler merger transaction. The HRG board of directors instructed HRG's management to deliver a public letter to Spectrum containing a proposal on that basis, so HRG and the Spectrum Special Committee could have a dialogue with the companies' respective stockholders. Additionally, in light of the differences between the parties' proposals with respect to a potential transaction involving HRG and Spectrum and HRG's belief that there was decreasing likelihood that agreement could be reached in advance of the upcoming 2018 annual meeting of Spectrum stockholders, the HRG board of directors instructed HRG's management to deliver a letter to Spectrum making HRG's December 17 Governance Requests (as defined below).

On December 17, 2017, HRG delivered a letter to Spectrum requesting that, among other things, (1) the Spectrum board of directors be expanded to consist of ten directors, (2) Mr. McKnight and Mr. Brian Friedman, President and member of the Leucadia board of directors, be added as directors on the expanded Spectrum board of directors, (3) the Nominating and Corporate Governance Committee of the Spectrum board of directors (the "Nominating Committee") be expanded to consist of five directors, (4) Messrs. Steinberg, McKnight and Zargar be added as members of the expanded Nominating Committee, and (5) a meeting of the expanded Nominating Committee be held as soon as possible and in any event before the proxy statement for the upcoming annual meeting of Spectrum shareholders was filed with the SEC (collectively, "HRG's December 17 Governance Request").

On December 18, 2017, as previously authorized by the Spectrum Special Committee at its December 13, 2017 meeting and based on subsequent discussions with Mr. Polistina, Moelis proposed to J.P. Morgan certain modifications to the terms of the Spectrum Special Committee's December 13, 2017 proposal, including to reduce the post-closing lock-up period for Leucadia and Fortress from 18 months to 12 months.

On December 19, 2017, HRG delivered a letter to the Spectrum Special Committee containing a proposal for a merger between Spectrum and HRG, which HRG indicated it intended to make public. The proposal contemplated, among other things, (1) that the HRG shareholders' ownership in the combined company would equal the number of shares of Spectrum Common Stock held by HRG prior to the merger, adjusted based on HRG's net debt, (2) a \$200 million upfront payment to HRG's shareholders for the termination of the Existing Stockholder Agreement between Spectrum and HRG and other governance arrangements and for HRG's Tax Attributes, (3) Spectrum and HRG bearing their own transaction and financing costs, (4) Leucadia and Fortress being subject to a 12-month post-closing lock-up, (5) HRG designating three members of the combined company board of directors, and (6) that the merger would be conditioned on a non-waivable majority of the minority Spectrum shareholder vote. The proposal did not reference the establishment of a liquidating trust to hold certain assets and liabilities of HRG.

Later in the day on December 19, 2017, HRG publicly filed with the SEC an amended Schedule 13-D, which attached HRG's December 17 Governance Request and HRG's December 19, 2017 proposal as exhibits.

On December 19, 2017, the Spectrum Special Committee held a meeting to discuss HRG's December 17 Governance Request and December 19 proposal, with representatives of Kirkland, Cleary and Moelis in attendance. Messrs. Maura and Fagre were also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. The Spectrum Special Committee and its advisors discussed the economic and governance terms outlined in HRG's December 19, 2017 proposal and their impact on Spectrum and its minority shareholders, and Kirkland and Cleary reviewed with the Spectrum Special Committee HRG's December 17 Governance Request. Following discussion of such matters as well as a variety of related considerations and potential responses to HRG, the Spectrum Special Committee determined that Spectrum would file a Form 8-K that would (1) indicate that the Spectrum Special

Committee was reviewing HRG's December 19, 2017 proposal

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and that Spectrum would be reviewing HRG's December 17 Governance Request, and (2) describe the terms of the most recent private proposals exchanged between Spectrum and HRG in order to provide appropriate context to Spectrum's shareholders regarding such matters and to facilitate the Spectrum Special Committee receiving feedback from Spectrum shareholders.

On December 20, 2017, Spectrum filed a Form 8-K with the SEC, which contained a statement from the Spectrum Special Committee and the disclosure of recent private proposals discussed by the Spectrum Special Committee at its meeting on December 19, 2017.

On December 21, 2017, the HRG board of directors held a meeting, with representatives of HRG's management and Davis Polk in attendance. At the invitation of Mr. Steinberg, Mr. Maura joined the meeting to offer his perspective on the discussions between HRG and the Spectrum Special Committee on a potential transaction between HRG and Spectrum. Mr. Maura was then excused, following which the other members of the HRG board of directors reviewed and discussed the respective positions of HRG and the Spectrum Special Committee and provided negotiating direction to HRG's management. Messrs. Steinberg, McKnight and Whittaker were then excused from the meeting and the disinterested and independent directors met in an executive session to discuss Spectrum-related matters.

On December 26, 2017, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. Representatives of Moelis discussed with the Spectrum Special Committee financial analyses of HRG's December 19, 2017 proposal as well as a potential alternative proposal, including, in each case, the impact of a transaction on such terms to Spectrum's minority shareholders. As part of this discussion, the Spectrum Special Committee weighed considerations related to an upfront payment for HRG's Tax Attributes, including in light of clarity regarding corporate tax rates due to the passage of federal tax reform legislation under the Tax Cuts and Jobs Act and Spectrum management's and the Spectrum Special Committee's belief that the potential divestiture of one or both of the GBA Businesses would occur. The Spectrum Special Committee and its advisors also discussed preliminary feedback received from certain of Spectrum's minority shareholders regarding HRG's December 19, 2017 proposal and a transaction with HRG generally, which included, among other things, a general sense of support for compromising with HRG in order to finalize a potential transaction that would result in an independent post-closing governance structure. Following discussion, the Spectrum Special Committee determined to consider these matters further at its next meeting.

On December 31, 2017, Mr. Maura's previously announced resignation from the HRG board of directors became effective.

On January 3, 2018, Spectrum announced that it was exploring strategic options for its GBA Businesses with the expectation of completing any such divestitures in 2018.

On January 5, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. At the meeting, the Spectrum Special Committee and its advisors discussed a potential alternative proposal to HRG's December 19, 2017 proposal, which was generally consistent with the terms discussed during the December 26, 2017 meeting. Representatives of Moelis also discussed with the Spectrum Special Committee various illustrative scenarios for the divestitures of the GBA Businesses and the utilization of HRG's Tax Attributes by the combined company. Following discussion, the Spectrum Special Committee approved the proposal, which provided for, among other things, (1) a \$120 million upfront payment to HRG's shareholders and (2) adjustments for HRG's net debt and up to \$40 million of Spectrum's transaction costs (excluding any financing costs). The Spectrum Special Committee directed Moelis to preview the key terms of the proposal with J.P. Morgan.

On January 6, 2018, Moelis, on behalf of the Spectrum Special Committee, called J.P. Morgan to preview the key terms of the Spectrum Special Committee's proposal.

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On January 7, 2018, Mr. Polistina, on behalf of the Spectrum Special Committee, sent an e-mail to the HRG board of directors containing the proposal approved during the Spectrum Special Committee's January 5, 2018 meeting.

During the course of the week of January 8, 2018, representatives of Moelis and HRG discussed the parties' respective proposals and positions, following which Kirkland and Cleary had a number of discussions with Davis Polk regarding the same. Mr. Zargar joined certain of these discussions as well and reiterated the HRG board of directors' view that, among other things, (1) in light of the recent passage of federal tax reform legislation and associated reduction of corporate tax rates (which HRG believed significantly reduced the value its shareholders would receive in respect of HRG's Tax Attributes under a TRA), Spectrum's January 3, 2018 announcement that it intended to divest one or both of the GBA Businesses (which if consummated would provide more certainty regarding the combined company's ability to utilize such Tax Attributes), and HRG's desire to receive compensation for surrendering control of Spectrum, HRG would not accept a substantial departure from the economic terms of its December 19, 2017 proposal, and (2) HRG no longer believed it was necessary to establish a liquidating trust in connection with a transaction with Spectrum, in part because after giving effect to the sale of FGL and Front Street, HRG believed it had only immaterial remaining residual and contingent assets and liabilities.

On January 9, 2018, HRG delivered a letter to the Spectrum Special Committee rejecting the Spectrum Special Committee's January 7, 2018 proposal, citing reasons previously outlined to Moelis, Kirkland and Cleary by the representatives of HRG and its advisors.

On January 11, 2018, the HRG board of directors held a meeting, with representatives of HRG's management, Davis Polk and J.P. Morgan in attendance. During the meeting, the HRG board of directors reviewed with HRG's management and its advisors the status of the negotiations, the respective positions of HRG and Spectrum, potential considerations in the event a mutually acceptable agreement could not be reached between HRG and the Spectrum Special Committee, and the other strategic alternatives potentially available to HRG. The HRG board of directors directed HRG's management to inform the Spectrum Special Committee that HRG was not willing to accept a substantial departure from the economic terms of its December 19, 2017 proposal.

Also on January 11, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. Mr. Maura was also in attendance for a portion of the meeting at the invitation of the Spectrum Special Committee. Mr. Maura updated the Spectrum Special Committee and its advisors on the status of the Batteries Divestiture and also discussed with the Spectrum Special Committee feedback he had received from certain of Spectrum's minority shareholders regarding a potential transaction with HRG, including the importance of any such transaction resulting in an independent post-closing governance structure. Mr. Maura was then excused from the meeting. The Spectrum Special Committee and its advisors next discussed HRG's January 9, 2018 letter, HRG's insistence on the economic terms of its December 19, 2017 proposal, and the alternatives and potential responses available to the Spectrum Special Committee. Representatives of Moelis discussed with the Spectrum Special Committee a financial analysis of a potential proposal to HRG, and the financial impact of a transaction on such terms to Spectrum's minority shareholders, and also discussed with the Spectrum Special Committee various benefits of a transaction with HRG to Spectrum and its minority shareholders, including, among others, the elimination of a controlling shareholder in the combined company and instead having an independent governance structure. Representatives of Kirkland and Cleary discussed with the Spectrum Special Committee non-economic terms of a potential proposal designed to ensure an independent post-closing corporate governance structure. Following discussion, the Spectrum Special Committee approved the proposal, the principal terms different from HRG's December 19, 2017 proposal being: (1) a \$120 million upfront payment to HRG's shareholders and an additional \$80 million payment to HRG's shareholder contingent on the first closing of a divestiture of either of the GBA Businesses, (2) Leucadia and Fortress would be subject to a post-closing lock-up ending on the earlier of 18 months and the first closing of a divestiture of either of the GBA Businesses, (3) the two existing HRG-designated directors on

the Spectrum board

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of directors would continue on the combined company board of directors through the end of their current terms (rather than HRG's proposal for HRG to designate a third director), and (4) Leucadia would have a post-closing nomination right to one of the board seats held by the existing HRG-designated directors for so long as it owned at least 10% of the combined company's shares (and would be subject to a customary standstill for so long as it owns more than 10% of the combined company's shares). Additionally, the Spectrum Special Committee discussed HRG's position that a liquidating trust would no longer be necessary or appropriate, and determined that it would be amenable to this approach subject to satisfactory completion of due diligence regarding the nature and amount of HRG's remaining assets and contingent and other liabilities. The Spectrum Special Committee determined to provide in its proposal that the terms of such proposal assumed that HRG's wind-down costs and other non-debt actual and contingent liabilities would not exceed \$5 million. Following discussion, the Spectrum Special Committee directed Mr. Polistina to submit the proposal to HRG following the public announcement of the Batteries Divestiture, which was scheduled to occur on or around January 16, 2018.

On January 16, 2018, Spectrum announced it had entered into a definitive agreement to sell its global batteries business to Energizer Holdings, Inc. for \$2 billion, subject to satisfaction of certain conditions to closing.

Later in the day on January 16, 2018, Mr. Polistina, on behalf of the Spectrum Special Committee, sent an e-mail to the HRG board of directors containing the proposal approved during the Spectrum Special Committee meeting on January 11, 2018.

On January 17, 2018, the HRG board of directors held a meeting, with representatives of HRG's management, Davis Polk, J.P. Morgan and Jefferies in attendance. During the meeting, the HRG board of directors discussed, among other things, the respective positions of HRG and the Spectrum Special Committee, potential compromise positions, and the strategic alternatives available to HRG and other considerations if a mutually acceptable agreement could not be reached between HRG and the Spectrum Special Committee.

On January 18, 2018, Spectrum announced the postponement of its upcoming annual meeting of Spectrum shareholders, previously scheduled to be held on January 30, 2018, in light of the ongoing discussions with HRG related to a potential transaction.

On January 19, 2018, at the direction of HRG management, representatives of J.P. Morgan contacted Moelis to discuss the terms of the Spectrum Special Committee's January 16, 2018 proposal as well as the deal terms and potential compromises HRG was considering, which included, among other things, (1) an upfront payment of \$200 million to HRG's shareholders, to compensate HRG for the Tax Attributes and for surrendering control of Spectrum, (2) Leucadia and Fortress being subject to a 24-month post-closing lock-up, (3) Leucadia receiving the right to designate two directors to the combined company board for so long as it held at least 10% of the combined company's shares (and the right to designate one director for so long as it owned at least 5%), and (4) Fortress receiving the right to designate one independent director, who would not be an affiliate of Fortress, for so long as it owned at least 5% of the combined company's shares.

On January 20, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. The Spectrum Special Committee discussed with its advisors the terms of the potential proposal representatives of J.P. Morgan had indicated that HRG was considering. The Spectrum Special Committee also discussed with its advisors various considerations related to an upfront payment of \$200 million to HRG's shareholders in comparison to the Spectrum Special Committee's prior proposal that \$80 million of such aggregate payment be contingent on the closing of a divestiture of either of the GBA Businesses. Following discussion, the Spectrum Special Committee determined that it would further consider whether to accept the economic terms representatives of J.P. Morgan had described, but that the governance terms proposed by HRG were not consistent with an independent

governance structure and accordingly would not be an acceptable basis for a transaction between Spectrum and HRG. The Spectrum Special Committee directed Moelis to communicate this message to J.P. Morgan.

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On January 20, 2018, Moelis, on behalf of the Spectrum Special Committee, called J.P. Morgan to communicate the Spectrum Special Committee's response to the terms of a potential proposal that J.P. Morgan had described on January 19, 2018.

On January 25, 2018, the HRG board of directors held a meeting, with representatives of HRG's management and Davis Polk in attendance, during which HRG's management relayed the January 20, 2018 response from Moelis. The HRG board of directors discussed the parties' respective positions and instructed HRG's management to reiterate that HRG was unwilling to further compromise on the economic terms of its proposal. Messrs. Steinberg, McKnight and Whittaker were then excused and the disinterested and independent directors then discussed potential conflicts of interest matters relating to potential post-closing governance and liquidity terms relating to Fortress and Leucadia.

On January 26, 2018, at the direction of HRG management, representatives of HRG and J.P. Morgan delivered to Mr. Polistina and representatives of Moelis a proposal that contemplated, among other things, (1) two alternative formulations for an upfront payment to HRG's shareholders, to compensate HRG for the Tax Attributes and for surrendering control of Spectrum, (i) an upfront \$200 million payment or (ii) an upfront \$150 million payment combined with a \$100 million payment contingent on the closing of a divestiture of either of the GBA Businesses, and (2) Leucadia and Fortress receiving the right to collectively designate two directors to the combined company board for so long as they held at least 15% of the combined company's shares in the aggregate, and the right to collectively designate one director for so long as they held at least 5% of the combined company's shares in the aggregate.

On January 27, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. Representatives of Moelis discussed with the Spectrum Special Committee financial analyses of HRG's January 26, 2018 proposal, including the impact of a transaction on such terms to Spectrum's minority shareholders, and also discussed with the Spectrum Special Committee various illustrative scenarios for Spectrum business divestitures and the utilization of HRG's Tax Attributes. As part of this discussion, the Spectrum Special Committee and its advisors discussed that in recent weeks the likelihood that Spectrum could divest one or both of its GBA Businesses had increased significantly, and as a result, there was a greater degree of certainty concerning whether, and the time period over which, the value of HRG's Tax Attributes could be realized by the combined company following a transaction. The Spectrum Special Committee and its advisors discussed other potential economic and non-economic benefits that could result from a transaction with HRG, including, among others, the elimination of a controlling shareholder in the combined company, an independent governance structure, greater liquidity, increased appeal to a broader shareholder base and the removal of uncertainty regarding a potential transaction with HRG. The Spectrum Special Committee and its legal advisors also discussed the post-closing board designation rights proposed by HRG and other governance considerations related to a potential transaction. Following discussion, the Spectrum Special Committee determined to inform HRG that, although it could not support HRG's January 26, 2018 proposal, the Spectrum Special Committee could support a transaction on the basis of HRG's proposed \$200 million upfront payment to HRG's shareholders, so long as HRG agreed to governance terms in line with the terms of the Spectrum Special Committee's January 16 proposal. The Spectrum Special Committee directed Mr. Polistina to convey the Spectrum Special Committee's position to the HRG board of directors in writing later that day.

Later in the day on January 27, 2018, the members of the Spectrum Special Committee and representatives of Moelis participated in a conference call with representatives of HRG during which the Spectrum Special Committee communicated its response to HRG's January 26, 2018 proposal.

On January 28, 2018, Mr. Polistina, on behalf of the Spectrum Special Committee, sent an e-mail to the HRG board of directors communicating the Spectrum Special Committee's response to HRG's January 26, 2018 proposal.

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Also on January 28, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance, to receive an update on the status of the potential transaction with HRG prior to the meeting of the Spectrum board of directors that was scheduled to be held on January 29, 2018.

On January 29, 2018, Mr. Polistina, on behalf of the Spectrum Special Committee, and Mr. Steinberg, on behalf of HRG, had a number of discussions regarding the open terms, and negotiated and agreed, subject to the approval of the Spectrum Special Committee and the HRG board of directors, on the parameters of governance and shareholder arrangement terms related to a potential transaction, including that, among other things: (1) Mr. Zargar would resign from the Spectrum board of directors at the closing of the transaction, (2) Mr. Zargar would be replaced by an independent director designated by Leucadia, and such director would be added to the longest-serving class of the combined company board of directors, but Leucadia would not have an ongoing right to designate an independent director after the term of that class expires, (3) Leucadia would have an ongoing right to designate one director to the combined company board of directors so long as it held 10% of the combined company's shares (expected to be Mr. Steinberg), (4) Leucadia and Fortress would be subject to a post-closing lock-up for the earlier of 24 months and the closing of a divestiture of either of the GBA Businesses (rather than 18 months as last proposed by HRG), and (5) Leucadia would be subject to a customary standstill. Mr. Polistina consulted with other members of the Spectrum Special Committee over the course of these discussions. Messrs. Steinberg and Zargar relayed the results of these discussions to the HRG board of directors.

Later in the day on January 29, 2018, Davis Polk submitted to Kirkland a written summary intended to memorialize the parameters of the governance and shareholder arrangement terms negotiated by Messrs. Polistina and Steinberg.

On January 30, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. Mr. Polistina updated the Spectrum Special Committee on the discussions he had with Mr. Steinberg regarding post-closing governance and shareholder arrangements. Representatives of Kirkland and Cleary reviewed for the Spectrum Special Committee the summary of such post-closing governance and shareholder arrangements, and following discussion, the Spectrum Special Committee determined the overall parameters that had been negotiated were acceptable and directed Kirkland to propose certain specific items regarding the details of such parameters (including certain additional limitations on the permissible affiliations of the independent director to be designated by Leucadia) to Davis Polk and authorized Kirkland to otherwise finalize such terms. The Spectrum Special Committee also discussed with its advisors next steps including due diligence.

Between January 30, 2018 and January 31, 2018, Kirkland and Davis Polk negotiated and finalized the parameters of the governance and shareholder arrangement terms, including that, among other things, (1) the independent director to be nominated by Leucadia would not be a current or former director, officer or employee of HRG, Leucadia, or Fortress or a current director, officer or employee of a hedge fund or an investment bank and (2) early expiration of the 24-month lock-up period would require a sale of a majority of either of the GBA Businesses.

On January 31, 2018, the HRG board of directors held a meeting, with representatives of HRG's management and Davis Polk in attendance. Among other things, the board discussed the status of the negotiations with the Spectrum Special Committee and the proposed terms for a transaction, including governance and shareholder arrangement terms. The HRG board of directors directed HRG's management and advisors to seek to finalize the transaction on the terms discussed. Messrs. Steinberg, McKnight and Whittaker were then excused; following which the disinterested and independent directors held a discussion regarding potential conflicts of interest matters relating to potential post-closing governance and liquidity terms relating to Fortress and Leucadia.

Between February 1, 2018 and February 22, 2018, Spectrum's management and Spectrum's and the Spectrum Special Committee's advisors conducted confirmatory financial, tax and legal due diligence on HRG, including with respect to

HRG's wind-down costs and other actual and contingent liabilities.

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On February 6, 2018, Davis Polk delivered to Kirkland a draft post-closing shareholder agreement that would be applicable to Leucadia (which, among other things, would contain Leucadia's ongoing right to designate one director subject to certain ownership requirements and restrict Leucadia from acquiring additional shares or taking certain other actions for so long as the director designated by Leucadia remained on the combined company board of directors), as well as drafts of a post-closing registration rights agreement and voting agreements applicable to HRG, Fortress and Leucadia.

On February 7, 2018, Kirkland delivered to Davis Polk a draft agreement and plan of merger in connection with the potential transaction.

Between February 7, 2018 and February 24, 2018, representatives of Kirkland, Cleary and Davis Polk engaged in numerous discussions regarding the terms of transaction documents, and exchanged various drafts of the merger agreement and related transaction documents.

On February 9, 2018, Davis Polk withdrew, on behalf of HRG, the request for a private letter ruling to the IRS on the Share Exchange Structure, as such downstream reorganization of HRG into Spectrum was no longer applicable to the potential transaction between the parties.

On February 10, 2018, Kirkland and Davis Polk held a conference call during which Davis Polk communicated HRG's positions on certain open terms of the merger agreement, including, among other things, (1) whether there would be any adjustment to the economic terms for HRG's wind-down costs and other actual and contingent liabilities in excess of the Spectrum Special Committee's expectation, (2) a \$200 million adjustment in favor of HRG's stockholders to HRG's net indebtedness rather than a special dividend prior to the closing of the merger, (3) the treatment of HRG's equity awards in the transaction, (4) the parameters of interim operating covenants applicable to each company, (5) the definition of Material Adverse Effect, (6) the scope of representations and warranties and closing conditions relating to tax matters, (7) the outside date and (8) a mechanism to preserve HRG's Tax Attributes by ensuring no HRG Common Stock would be issued in the merger in violation of the Amended HRG Charter, including if as a result of such issuance a person would become a holder of more than 4.9% of Corporation Securities (as defined in the Amended HRG Charter). In addition, Kirkland communicated to Davis Polk the Spectrum Special Committee's positions on certain open terms related to the shareholder agreement and the voting agreements, including the impact of Leucadia's ownership going below 5% and matters surrounding Leucadia's voting obligations and post-closing standstill.

Over the next several days, representatives of Kirkland, Cleary and Davis Polk further negotiated open items in the transaction documents.

On February 17, 2018, a conference call was held with Mr. Polistina, the advisors to the Spectrum Special Committee, members of Spectrum management, and representatives of HRG and its advisors participating. During this call, the parties agreed (in each case subject to approval by the Spectrum Special Committee or the HRG board of directors, as applicable) that, among other things, (1) subject to the satisfactory completion of the Spectrum Special Committee's due diligence with respect to HRG, the economic terms of the contemplated transaction would not be subject to adjustment for HRG's wind-down costs and other actual and contingent liabilities, (2) Spectrum would be subject to specific limited interim operating covenants, (3) the merger agreement would have an outside date of seven and half months from signing, (4) with respect to Leucadia's ongoing board designation right, its ownership percentage would be determined based on the number of shares outstanding at closing and Leucadia's designee would resign if Leucadia sold down to below 5%, and (5) Leucadia would be free to vote its shares in its discretion as a shareholder of the combined company.

Also on February 17, 2018, Davis Polk delivered to Kirkland drafts of the combined company charter and bylaws, and on February 18, 2018, Kirkland sent Davis Polk revised drafts of the post-closing shareholder agreement and the voting agreements.

On February 18, 2018, Davis Polk sent a revised draft of the merger agreement to Kirkland.

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On February 20 and 21, 2018, conference calls were held with Mr. Polistina, the advisors to the Spectrum Special Committee, members of Spectrum management, and representatives of HRG and its advisors participating. During these calls, and separate calls between Kirkland and Davis Polk, the parties agreed, among other things, to the following (in each case subject to approval by the Spectrum Special Committee or the HRG board of directors, as applicable): (1) HRG's equity awards would remain outstanding following the transaction, (2) the parameters surrounding HRG's ability to acquire and sell assets between signing and closing, (3) parties would have customary exceptions to the non-solicitation covenant to explore qualifying alternative acquisition proposals and make recommendation changes, subject to procedural and matching rights, (4) a Material Adverse Effect as applicable to HRG would be deemed to have occurred if aggregate losses were to exceed \$100 million, (5) the scope of tax representations and warranties, (6) the closing condition requiring the receipt of a tax opinion would be satisfied by Kirkland, Davis Polk or another nationally recognized firm reasonably acceptable to both parties, (7) the Leucadia and Fortress voting agreements would terminate upon a change of recommendation by the HRG board of directors, (8) Leucadia's standstill would have exceptions permitting purchases of shares up to 15% ownership, and (9) Leucadia's ongoing right to designate one director to the combined company board would survive certain strategic mergers and acquisitions transactions subject to eventual sunset and minimum actual ownership requirements.

Over the next several days and until the afternoon of February 24, 2018, Kirkland, Cleary and Davis Polk finalized the merger agreement and related transaction documents. Each party also decided to implement at signing of the transaction a shareholder rights plan in order to preserve the value of HRG's Tax Attributes.

On February 21, 2018, the board of directors of HRG held a meeting, with representatives of HRG's management, Davis Polk, J.P. Morgan and Jefferies in attendance. During this meeting, the HRG board of directors and its advisors discussed the status of the potential transaction and the key open items, the status of the 338 Election Payments and the treatment of that payment in various circumstances, and certain interests of Fortress and Leucadia that might differ from other HRG stockholders in the potential transaction, among other things. The representatives of J.P. Morgan and Jefferies were then excused from the meeting, and representatives of Davis Polk reviewed with the HRG board of directors their fiduciary duties. During the February 21, 2018 board meeting, the HRG board of directors determined that the independent members of the HRG board of directors should meet in an executive session without the presence of representatives of Fortress or Leucadia the following day.

On February 22, 2018, Messrs. Gerald Luterman, Curtis Glovier and Frank Ianna, the independent members of the board of directors of HRG, held a meeting, with representatives of HRG's management, Davis Polk, Jefferies and J.P. Morgan in attendance. During this meeting, the independent members of the board discussed open points in the transaction, including the proposed share consolidation ratio, treatment of HRG's unpaid transaction expenses at closing, the status of HRG's contingent and fixed assets and liabilities (including the 338 Election Payments), proposed conditions to closing and treatment of HRG's outstanding equity awards, among other things. Additionally, the participants discussed Spectrum's proposal to implement a shareholder rights plan to preserve HRG's Tax Attributes, the proposed tax structure of the transaction, and certain interests of Fortress and Leucadia that might differ from other HRG stockholders in the merger. After representatives of J.P. Morgan and Jefferies left the meeting, representatives of Davis Polk then reviewed with the independent directors their fiduciary duties. Prior to this meeting, copies of the draft transaction documents were circulated to the independent members of the HRG board of directors.

On February 23, 2018, the board of directors of HRG held a meeting, with representatives of HRG's management, Davis Polk, J.P. Morgan and Jefferies in attendance. During this meeting, representatives of Jefferies and J.P. Morgan each reviewed with the HRG board of directors their respective preliminary financial analyses. After representatives of Jefferies and J.P. Morgan were excused from the meeting, representatives of Davis Polk reviewed the fiduciary duties of the HRG board of directors with the HRG board of directors. Representatives of Davis Polk then summarized for the HRG board of directors the draft transaction documents and noted in particular the material

changes since the prior meeting of the HRG board of directors, with reference

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to revised drafts of the transaction documents, which were circulated to the HRG board of directors in advance of the meeting. The HRG board of directors discussed the preservation of HRG's Tax Attributes and disposition of contingent assets and liabilities of HRG, including the 338 Election Payments, among other things. The HRG board of directors additionally determined to hold a meeting the following day to review any changes to the transaction documents.

Also on February 23, 2018, the Spectrum board of directors (other than Messrs. Zargar and Steinberg, who recused themselves from discussions and determinations relating to the merger due to their affiliation with HRG) held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. Representatives of Kirkland and Cleary reviewed the terms of the current drafts of the merger agreement and related transaction documents, copies of which were circulated prior to the meeting, including the remaining open issues to be resolved and a description of the potential resolution of each issue. Representatives of Moelis presented Moelis' final financial analyses. Following such presentations and related discussion by the Spectrum board of directors, the board meeting was adjourned. Immediately following the board meeting, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance, to further discuss the items covered during the meeting of the Spectrum board of directors. The Spectrum Special Committee also discussed the results of the due diligence conducted on the nature and amount of HRG's remaining assets and contingent and other liabilities, which were substantially consistent with the Spectrum Special Committee's assumption that HRG's wind-down costs and other non-debt actual and contingent liabilities would not exceed \$5 million.

On February 24, 2018, the HRG board of directors held a meeting, with representatives of HRG's management, Davis Polk, J.P. Morgan and Jefferies in attendance. Representatives of Davis Polk described the final resolution of the open issues in the merger agreement and related transaction documents, final forms of which were circulated to the HRG board of directors in advance of the meeting. The HRG board of directors discussed the status of the 338 Election Payments. Representatives of Jefferies reviewed with the HRG board of directors its final financial analyses. Representatives of J.P. Morgan then reviewed with the HRG board of directors its final financial presentation, including J.P. Morgan's financial analysis of the Share Combination Ratio provided for in the Transaction, and the HRG board of directors discussed with J.P. Morgan the analyses included in J.P. Morgan's presentation. J.P. Morgan then delivered to the HRG board of directors its oral opinion, which was confirmed by delivery of a written opinion dated February 24, 2018, to the effect that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in preparing the opinion, the Share Combination Ratio in the proposed Transaction was fair, from a financial point view, to the holders of HRG Common Stock, as more fully described below in the section *Opinion of HRG's Financial Advisor*. The representatives of J.P. Morgan and Jefferies were then excused from the meeting. Representatives of Davis Polk then walked the HRG board of directors through a fiduciary duties presentation, and reviewed certain interests of Fortress and Leucadia in the merger that differed from other HRG stockholders, as further described in the section entitled *The Merger Interests of HRG's Directors and Officers in the Merger* *Rights of Certain Stockholders*.

The non-independent directors of HRG then excused themselves from the meeting. In an executive session without the presence of representatives of Fortress or Leucadia, the independent members of the HRG board of directors discussed certain governance matters. Based on the discussion and deliberations at this meeting and prior meetings, the various presentations of Davis Polk, Jefferies and J.P. Morgan, and various other factors, including that the independent directors did not believe that any economic value potentially available to the unaffiliated stockholders of HRG was foregone in exchange for the rights provided specifically to Fortress and Leucadia in the transaction, the independent members of the HRG board of directors unanimously determined to approve and recommend to the full HRG board of directors (1) the Post-Closing Shareholder Agreement, including Leucadia's rights thereunder, (2) the Post-Closing Registration Rights Agreement, (3) a reaffirmation of the previously-approved Jefferies engagement letter and (4) the provisions of the Amended HRG Charter and the HRG Rights Plan that make exceptions for Fortress and Leucadia.

The non-independent directors of HRG then rejoined the meeting, and the independent directors' recommendation was conveyed to them. Based on the discussions and deliberations at this meeting and prior

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meetings, the various presentations of Davis Polk, J.P. Morgan and Jefferies, and various other factors, including those described in *HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors*, the HRG board of directors, among other things, unanimously (1) approved the merger agreement, the Post-Closing Registration Rights Agreement, the Post-Closing Shareholder Agreement, the Spectrum Voting Agreement, the HRG Voting Agreements and the transactions contemplated thereby, including the merger, the HRG Share Issuance, the HRG Charter Amendment and the adoption of the amended and restated HRG bylaws, (2) directed that the HRG Charter Amendment and the HRG Share Issuance be submitted to the HRG stockholders for their consideration, (3) recommended that the HRG stockholders approve the HRG Charter Amendment and the HRG Share Issuance and (4) approved the HRG Rights Agreement.

Later on February 24, 2018, the Spectrum Special Committee held a meeting, with representatives of Kirkland, Cleary and Moelis in attendance. Representatives of Kirkland and Cleary described the final resolution of the open issues in the merger agreement and related transaction documents, final forms of which were circulated to the Spectrum Special Committee in advance of the meeting (and which were consistent with drafts circulated the prior day). At the request of the Spectrum Special Committee, Moelis delivered to the Spectrum Special Committee an oral opinion, which was confirmed by delivery of a written opinion, dated February 24, 2018, addressed to the Spectrum Special committee to the effect that, as of the date of the opinion and based upon and subject to the assumptions made, procedures followed, matters considered and conditions and limitations set forth in the opinion, the merger exchange ratio in the transaction is fair, from a financial point of view, to Spectrum's shareholders other than HRG shareholders and the holders entering into voting agreements with HRG in connection with the merger. Based on the discussions and deliberations at this meeting and prior meetings, the various presentations of Kirkland, Cleary and Moelis, including financial analyses presented by Moelis at the February 23rd meeting, and various factors, including those described in

Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and Spectrum Board of Directors, the Spectrum Special Committee unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated thereby are fair to, advisable and in the best interests of, Spectrum's minority shareholders, and (2) recommended that the Spectrum board of directors (i) authorize, approve, adopt and declare advisable the merger agreement, the merger and the other transactions contemplated thereby, (ii) direct that the adoption of the merger agreement and the approval of the merger and the other transactions contemplated thereby be submitted to a vote at a meeting of Spectrum's shareholders and (iii) recommend that Spectrum's shareholders vote to adopt the merger agreement and approve the merger and the other transactions contemplated thereby.

Shortly thereafter, the Spectrum board of directors (other than Messrs. Zargar and Steinberg, who recused themselves from discussions and determinations relating to the merger due to their affiliation with HRG) convened and, acting upon the Spectrum Special Committee's recommendation, the members of the Spectrum board of directors present at the meeting by unanimous vote (1) determined the merger, the merger agreement and the other transactions contemplated thereby are fair to, advisable and in the best interests of Spectrum and its shareholders, (2) authorized, approved, adopted and declared advisable the merger agreement, the merger and the other transactions contemplated thereby, (3) directed the adoption of the merger agreement and the approval of the merger and the other transactions contemplated thereby be submitted to a vote at a meeting of Spectrum's shareholders and (4) recommended adoption of the merger agreement and approval of the merger and the other transactions contemplated thereby by Spectrum's shareholders.

Shortly following the meetings of the HRG board of directors, the Spectrum Special Committee and the Spectrum board of directors (other than Messrs. Zargar and Steinberg, who recused themselves from discussions and determinations relating to the merger due to their affiliation with HRG), in the evening of February 24, 2018, Spectrum and HRG entered into the Merger Agreement and related transaction documents.

Before the opening of trading on the NYSE on February 26, 2018, Spectrum and HRG issued a joint press release announcing the proposed transaction.

Table of Contents**Spectrum's Reasons for the Merger; Recommendation of the Spectrum Special Committee and the Spectrum Board of Directors*****Spectrum Special Committee***

On February 22, 2017, following public disclosure that HRG's board of directors had initiated a process to explore potential strategic alternatives available to HRG (each, an HRG Potential Strategic Alternative), the Spectrum board of directors, mindful that potential conflicts of interests may arise or exist between HRG and its affiliates (other than Spectrum and its subsidiaries), on the one hand, and Spectrum and its stockholders (other than HRG and such affiliates), on the other hand, determined that it was advisable and in the best interests of Spectrum and its stockholders to establish the Spectrum Special Committee consisting only of independent and disinterested directors to explore, consider, negotiate and review any such strategic alternatives announced by HRG involving Spectrum or any other strategic or financial alternatives available to Spectrum (each, a Spectrum Potential Strategic Alternative). The Spectrum board of directors delegated full power and authority to the Spectrum Special Committee in connection with its exploration, consideration, negotiation and review of Spectrum Potential Strategic Alternatives, including full power and authority to (i) formulate, review, evaluate and negotiate on behalf of Spectrum any Spectrum Potential Strategic Alternative, including the authority to develop and deliver a proposal for a Spectrum Potential Strategic Alternative, (ii) determine on behalf of the Spectrum board of directors whether any Spectrum Potential Strategic Alternative is fair to, advisable and in the best interests of, Spectrum and its stockholders (other than HRG and its affiliates), (iii) make recommendations to the Spectrum board of directors in respect of any Spectrum Potential Strategic Alternative, including, without limitation, any recommendation to not proceed with or reject any Spectrum Potential Strategic Alternative, and (iv) take any and all actions and approve any actions or agreements and other documents the Spectrum Special Committee deems necessary or appropriate with respect to any Spectrum Potential Strategic Alternative. In connection with the formation of the Spectrum Special Committee, the Spectrum board of directors resolved that it would not propose or recommend to Spectrum's stockholders or otherwise approve any Spectrum Potential Strategic Alternative without the favorable recommendation of such Spectrum Potential Strategic Alternative by the Spectrum Special Committee.

The Spectrum Special Committee, at its meeting on February 24, 2018, unanimously determined that the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby were fair to, advisable and in the best interests of, Spectrum and its stockholders (other than HRG and its affiliates), and recommended that the Spectrum board of directors (i) authorize, approve, adopt and declare advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, (ii) direct the adoption of the Merger Agreement and the Related Agreements and the approval of the Merger and the other transactions contemplated thereby be submitted to a vote at a meeting of Spectrum's stockholders and (iii) recommend Spectrum's stockholders adopt the Merger Agreement and the Related Agreements and approve the Merger and the other transactions contemplated thereby.

In reaching its determination and recommendation, the Spectrum Special Committee consulted with and received the advice of its financial and legal advisors, discussed certain matters with Spectrum's senior management team and other members of Spectrum's board of directors and considered a number of factors that the Spectrum Special Committee believed supported its determination and recommendation, including the following factors (not in any relative order of importance):

the elimination of a controlling stockholder of Spectrum;

the expectation that the Merger will result in more independent corporate governance for Spectrum by providing for an independent board structure at HRG and eliminating certain governance rights held by HRG pursuant to its ownership of a majority of the outstanding Spectrum Common Stock and pursuant to the Spectrum Certificate of Incorporation, Spectrum Bylaws and the Existing Stockholder Agreement (which will terminate at the Effective Time), as more fully described in the sections entitled *Material Agreements Between the Parties*, *Stockholder Agreement* and *Comparison of Stockholder Rights* ;

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the removal of overhang on Spectrum Common Stock given HRG's majority ownership and uncertainty regarding HRG's process to explore HRG Potential Strategic Alternatives involving Spectrum;

the expectation that Spectrum stockholders will be able to participate as stockholders of HRG in the benefit of certain tax attributes of HRG;

the belief that Spectrum's pending divestiture of its Global Batteries business will allow Spectrum and its stockholders to realize substantial value from the Tax Attributes in the near term;

the fact that the Spectrum Special Committee considered a range of Spectrum Potential Strategic Alternatives and determined that the Merger was fair to, advisable and in the best interests of Spectrum and its stockholders (other than HRG and its affiliates), as more fully described in the section entitled *The Merger Background of the Merger* ;

the expectation that the Merger will not preclude other potential strategic transactions with third parties in the future and could potentially enhance the flexibility to pursue such transactions;

the potential to increase flexibility around Spectrum's capital structure due to the elimination of the controlling stockholder of Spectrum;

the potential to increase the liquidity and appeal of the shares of HRG Common Stock following the Merger, as compared to Spectrum Common Stock, to a broader, fully distributed stockholder base due to lack of a controlling stockholder and a smaller proportion of shares held by affiliated stockholders;

the expectation that the consummation of the Merger on terms that are favorable to Spectrum will eliminate a source of distraction for the Spectrum board of directors, management and investors;

feedback from Spectrum's stockholders (other than HRG and its affiliates) who generally expressed support of pursuing a transaction with HRG;

the support of the Merger by HRG, which entered into the HRG Voting Agreement pursuant to which HRG agreed to vote its shares of Spectrum Common Stock to approve and adopt the Merger Agreement, the Merger and the transactions contemplated thereby and take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the HRG Voting Agreement, as more fully described in the section entitled *The Transaction Agreements Description of the Spectrum Voting Agreement* ;

the support of the Merger by Leucadia, which entered into the Leucadia Voting Agreement pursuant to which, among other things, Leucadia agreed to vote its shares of HRG Common Stock to approve the HRG Charter Amendment and the HRG Share Issuance and to take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the Leucadia Voting Agreement, as more fully described in the section entitled *The Transaction Agreements Description of the Voting Agreements Leucadia Voting Agreement* ;

the support of the Merger by Fortress, which entered into the Fortress Voting Agreement pursuant to which, among other things, Fortress agreed to vote its shares of HRG Common Stock to approve the HRG Charter Amendment and the HRG Share Issuance and to take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the Fortress Voting Agreement, as more fully described in the section entitled *The Transaction Agreements Description of the Voting Agreements Fortress Voting Agreement* ;

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Moelis' financial analysis, and its oral opinion, subsequently confirmed in writing dated February 24, 2018, delivered by Moelis and addressed to the Spectrum Special Committee, that, as of the date of such opinion, and based upon and subject to the assumptions made, procedures followed, matters considered and conditions and limitations set forth in such opinion, the merger exchange ratio in the transactions contemplated by the Merger Agreement is fair, from a financial point of view, to the holders of Spectrum Common Stock, other than HRG, its affiliates, and those holders of HRG Common Stock party to the Voting Agreements, as more fully described in the section entitled *The Merger Opinion of the Spectrum Special Committee's Financial Advisor*;

the likelihood that the Merger will be consummated, based on, among other things, the nature of conditions to the Merger, including the fact that the Merger is not conditioned on the receipt of any regulatory approvals, third party consents or financing, other than the required stockholder approvals and consents described herein;

the fact that Leucadia, the largest stockholder of HRG following the consummation of the Merger, will be subject to certain standstill obligations with respect to HRG following the consummation of the Merger, pursuant to the terms and conditions of the Post-Closing Stockholder Agreement, as more fully discussed in the section entitled *The Transaction Agreements Description of the Post-Closing Stockholder Agreement* ;

the fact that, in order to preserve the value of the Tax Attributes that are expected to benefit Spectrum and its stockholders (other than HRG and its affiliates) following the consummation of the Merger, Leucadia and Fortress, the two largest stockholders of HRG following the consummation of the Merger, will be subject to certain limitations on the transfer of their shares of HRG Common Stock following the consummation of the Merger (subject to certain exceptions), as set forth in the Amended HRG Charter, which is more fully discussed in the section entitled *Comparison of Stockholder Rights Transfer Restrictions* ;

the fact that the Merger is expected to be tax free to Spectrum and its stockholders and HRG and its stockholders;

the scope and results of Spectrum's due diligence investigation of HRG, which included review of its financial statements, contingent liabilities, Tax Attributes, existing agreements and legal and other matters; and

the fact that the Spectrum Special Committee, with the advice of its advisors, reviewed the terms of the Merger Agreement and considered them to be reasonable, including:

that the Share Combination Ratio takes into account, among other things, the amount of HRG's debt and cash (including any changes to HRG's debt and cash between signing and closing) as well as HRG's transaction expenses;

that, subject to certain conditions, the Spectrum board of directors is permitted to change its recommendation to its stockholders in response to a superior proposal or, in the absence of a superior proposal, in response to an intervening event, in each case if it determines that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, and that no termination fee is payable by Spectrum upon termination of the Merger Agreement in such event;

the right to terminate the Merger Agreement if, among other things, the HRG board of directors changes its recommendation to its stockholders in response to a superior proposal or an intervening event following a determination that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable law; and

the right, subject to certain conditions, to terminate the Merger Agreement if the Merger is not consummated on or before October 8, 2018.

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The Spectrum Special Committee also considered the procedural safeguards involved in the negotiation of the Merger Agreement, the Related Agreements, Merger and the transactions contemplated thereby believed to support the substantial and procedural fairness of the Merger to Spectrum and its stockholders (other than HRG and its affiliates), including the following factors (not in any relative order of importance):

the fact that the Spectrum Special Committee consists solely of independent and disinterested directors;

the fact that the Spectrum board of directors delegated, and the Spectrum Special Committee exercised, full power and authority to explore, consider, negotiate, review and make recommendations to the Spectrum board of directors in respect of any Spectrum Potential Strategic Alternative;

the fact that, other than their receipt of Spectrum Special Committee and Spectrum board of director fees (which are not contingent upon the consummation of the Merger or the Spectrum Special Committee's or Spectrum board of directors' recommendation as to the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby) and other interests described under *The Merger Interests of Spectrum's Directors and Officers in the Merger*, members of the Spectrum Special Committee do not have interests in the Merger different from, or in addition to, those of Spectrum and its stockholders (other than HRG and its affiliates);

the fact that the Spectrum Special Committee held 29 meetings to discuss and evaluate the Merger and other matters related thereto and was advised by independent financial and legal advisors, and each member of the Spectrum Special Committee was actively engaged in the process on a continuous and regular basis;

the fact that the Spectrum Special Committee was advised by Moelis, as financial advisor, and Kirkland and Cleary, as legal advisors, each an internationally recognized firm selected by the Spectrum Special Committee based on its respective qualifications and the Spectrum Special Committee's review of each firm's relationships disclosure and determination that each firm was independent in connection with the Merger;

the fact that the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby were negotiated on an arms-length basis between the Spectrum Special Committee and its advisors, on the one hand, and HRG and its advisors, on the other hand;

the fact that the Spectrum Special Committee had full power and authority to not proceed with or reject the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby; and

the requirement that the Merger Agreement be adopted (i) by the holders of a majority of the outstanding shares of Spectrum Common Stock, including shares held by HRG and its affiliates and the executive officers of Spectrum, (ii) by the holders of a majority of the outstanding shares of Spectrum Common Stock that are not beneficially owned, directly or indirectly, by HRG, its affiliates and the executive officers of

Spectrum, and (iii) by the holders of a majority of the outstanding shares of Spectrum Common Stock beneficially owned, directly or indirectly, by holders other than HRG and its affiliates and any group (that would be deemed to be a person by Section 13(d)(3) of the Exchange Act with respect to securities of HRG) of which HRG or any entity or group directly or indirectly controlling or controlled by HRG is a member, as required under Section 12 of the Spectrum certificate of incorporation.

In the course of its deliberations, the Spectrum Special Committee also considered a variety of risks and other countervailing factors concerning the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, including the following factors (not in any relative order of importance):

Leucadia and Fortress, which are expected to hold approximately 14% and 10%, respectively, of the outstanding shares of HRG Common Stock following the closing of the Merger;

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Leucadia will have an ongoing right, subject to certain conditions, to appoint a director to the HRG board of directors as well as a right at the closing to designate a second director who meets certain independence requirements, as more fully described in the sections entitled *The Transaction Agreements Post-Closing Governance* and *The Transaction Agreements Description of the Post-Closing Stockholder Agreement* ;

the potential downward pressure on the share price of HRG that may result if HRG's stockholders who are not subject to transfer restrictions (or upon the expiration thereof) seek to sell their shares of HRG Common Stock following the consummation of the Merger;

the increased indebtedness of HRG following the Merger due to the assumption of HRG's net debt as well as the incurrence of transaction fees and expenses by HRG and Spectrum;

the risk that HRG's contingent liabilities, including potentially unknown legacy liabilities of HRG, exceed anticipated exposure;

the value of the Tax Attributes to HRG following the Merger is in part subject to and dependent on the expected results of Spectrum's business and operations, including the timing of its anticipated divestiture of the GBA Businesses;

HRG's ability to use the Tax Attributes following the Merger to reduce future tax payments may be limited if HRG is considered to have experienced an ownership change for U.S. federal income tax purposes as a result of the Merger or as a result of future changes in ownership;

the fact that there can be no assurance that all conditions to the parties' obligations to complete the Merger will be satisfied, including approvals by Spectrum and HRG stockholders, and that failure to complete the Merger may have a potential negative impact on Spectrum, its business and the trading price of its stock;

the fact that substantial costs will be incurred by both Spectrum and HRG in connection with the Merger and the transactions contemplated thereby, including in connection with any litigation that may result from the announcement or pendency of the Merger;

Spectrum management's focus and resources may become diverted from other important business opportunities and operational matters while working to implement the Merger, which could adversely affect Spectrum's business;

certain financial and other terms of the Merger Agreement, including:

that the Merger Exchange Ratio will not be adjusted based on the relative market values of HRG Common Stock and Spectrum Common Stock;

the restriction on Spectrum's ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals;

that, subject to certain conditions, the HRG board of directors is permitted to change its recommendation to its stockholders in response to a superior proposal or, in the absence of a superior proposal, an intervening event, in each case if it determines that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties to its stockholders, in which case the voting obligations of Fortress and Leucadia will terminate, and that no termination fee is payable by HRG upon termination of the Merger Agreement in such event;

that, Spectrum will only be permitted to terminate the Merger Agreement as a result of a material adverse effect on HRG if all the applicable effects have resulted or would reasonably be expected to result in a net adverse impact in excess of \$100,000,000, and which excludes, among others, any effects relating to the Tax Attributes and any effects resulting from the negotiation, execution,

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consummation, existence, delivery, performance or announcement of the Merger Agreement to the business, financial condition or results of operations of HRG and its subsidiaries (excluding Spectrum and its subsidiaries);

the restrictions on the conduct of Spectrum's business until the consummation of the Merger or termination of the Merger Agreement, which may delay or prevent Spectrum from undertaking certain opportunities that may arise; and

each of the factors described in the section entitled *Risk Factors*.

The Spectrum Special Committee weighed the benefits, advantages and opportunities against the risks and countervailing factors of entering into the Merger Agreement and the Related Agreements and completing the Merger and the other transactions contemplated thereby. Although the Spectrum Special Committee realized that there can be no assurance about future results or outcomes, including results expected or considered in the factors listed above, the Spectrum Special Committee concluded that the potential benefits, advantages and opportunities of entering into the Merger Agreement and the Related Agreements and completing the Merger and the other transactions contemplated thereby outweigh the risks and countervailing factors.

The foregoing discussion of the factors considered by the Spectrum Special Committee in connection with its determination and recommendation regarding the fairness of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby to Spectrum and its stockholders (other than HRG and its affiliates) is not intended to be exhaustive but is believed to include the material factors considered by the Spectrum Special Committee. The Spectrum Special Committee did not find it practicable to assign, and did not quantify, rank or otherwise assign, relative weights to the individual factors considered in reaching its conclusions as to the fairness of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby. Rather, the Spectrum Special Committee made its fairness determination and recommendation after consideration of all of the foregoing factors as a whole. In addition, individual members of the Spectrum Special Committee may have given different weight to different information and factors.

Spectrum Board of Directors

The Spectrum board of directors (other than Messrs. Joseph Steinberg and Ehsan Zargar, who recused themselves from discussions and determinations relating to the Merger due to their affiliation with the HRG), at its meeting on February 24, 2018, acting upon the unanimous recommendation of the Spectrum Special Committee, (i) determined that the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby were fair to, advisable and in the best interests of, Spectrum and its stockholders, (ii) authorized, approved, adopted and declared advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, (iii) directed the adoption of the Merger Agreement and the Related Agreements and the approval of the Merger and the other transactions contemplated thereby be submitted to a vote at a meeting of Spectrum's stockholders and (iv) recommended that Spectrum's stockholders adopt the Merger Agreement and the Related Agreements and approve the Merger and the other transactions contemplated thereby.

In reaching its determination and recommendation, the Spectrum board of directors (other than Messrs. Steinberg and Zargar) considered a number of factors, including the following factors (not in any relative order of importance):

the Spectrum Special Committee's analysis, conclusions and unanimous determination, which the Spectrum board of directors adopted, that the Merger Agreement, the Related Agreements, the Merger and the other transactions thereby were fair to, advisable and in the best interests of, Spectrum and its stockholders (other than HRG and its affiliates), and the Spectrum Special Committee's unanimous recommendation that the Spectrum board of directors (i) authorize, approve, adopt and declare advisable the Merger Agreement, the Related Agreements, the Merger and the other transactions

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contemplated thereby, (ii) direct the adoption of the Merger Agreement and the Related Agreements and the approval of the Merger and the other transactions contemplated thereby be submitted to a vote at a meeting of Spectrum's stockholders and (iii) recommend Spectrum's stockholders adopt the Merger Agreement and the Related Agreements and approve the Merger and the other transactions contemplated thereby; and

the fact that the Spectrum Special Committee is comprised only of independent and disinterested directors, the fact that, other than their receipt of Spectrum board of directors and Spectrum Special Committee fees (which are not contingent upon the consummation of the Merger or the Spectrum Special Committee's or Spectrum board of directors' recommendation of the Merger) and their interests described under *The Merger Interests of Spectrum's Directors and Officers in the Merger*, members of the Spectrum Special Committee do not have material interests in the Merger different from, or in addition to, those of Spectrum and its stockholders (other than HRG and its affiliates) and the fact that the Spectrum Special Committee received the opinion of a financial advisor it determined to be independent as described above, which opinion is more fully described in the section entitled *The Merger Opinion of the Spectrum Special Committee's Financial Advisor*.

The foregoing discussion of the factors considered by the Spectrum board of directors (other than Messrs. Steinberg and Zargar) in connection with its determination and recommendation on fairness of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby to Spectrum and its stockholders is not intended to be exhaustive but is believed to include the material factors considered by the Spectrum board of directors (other than Messrs. Steinberg and Zargar). The Spectrum board of directors (other than Messrs. Steinberg and Zargar) did not find it practicable to assign, and did not quantify, rank or otherwise assign, relative weights to the individual factors considered in reaching its conclusions as to the fairness of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby. Rather, the Spectrum board of directors (other than Messrs. Steinberg and Zargar) made its fairness determination and recommendation after consideration of all of the foregoing factors as a whole. In addition, individual members of the Spectrum board of directors (other than Messrs. Steinberg and Zargar) may have given different weight to different information and factors.

In considering the recommendation of the Spectrum board of directors with respect to the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, Spectrum stockholders should be aware that certain of Spectrum's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of Spectrum's stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. These interests include, but are not limited to, the continued service of certain directors of Spectrum as directors of HRG following the Merger, the continued employment of certain executive officers of Spectrum by HRG following the Merger, and the treatment in the Merger of equity award and provisions in the Merger Agreement regarding continued indemnification of and advancement of expenses to Spectrum directors and officers. The members of the Spectrum Special Committee and the Spectrum board of directors were aware of these interests and considered them, among others, in their approval and adoption of the Merger Agreement, the Merger and the other transactions contemplated thereby and their recommendation that Spectrum's stockholders adopt the Merger Agreement and approve the Merger and the transactions contemplated thereby. See *The Merger Interests of Spectrum's Directors and Officers in the Merger* for further discussion of these matters.

The foregoing discussion of the information and factors considered by the Spectrum Special Committee and the Spectrum board of directors contains statements that are forward-looking in nature. This information should be read in light of the factors described in *Cautionary Statement Regarding Forward-Looking Statements*.

HRG's Reasons for the Merger; Recommendation of the HRG Board of Directors

The HRG board of directors (and separately, Messrs. Luterman, Ianna and Glovier), at its meeting on February 24, 2018, unanimously (i) determined that it is advisable and fair to, and in the best interests of, HRG

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and its stockholders for HRG to enter into the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, including the HRG Share Issuance, the HRG Charter Amendment, the HRG Rights Agreement and the adoption of the amended and restated HRG bylaws, (ii) approved the Merger Agreement, the Related Agreements, the Merger and the other transactions contemplated thereby, including the HRG Share Issuance, the HRG Charter Amendment, the HRG Rights Agreement and the adoption of the amended and restated HRG bylaws, (iii) directed that the HRG Share Issuance and the HRG Charter Amendment be submitted to the stockholders of HRG for their consideration and (iv) recommended that the stockholders of HRG vote to approve the HRG Share Issuance and the HRG Charter Amendment.

In reaching its determination and recommendation, the HRG board of directors (and separately, Messrs. Luterman, Ianna and Glover) consulted with and received the advice of its independent financial and legal advisors, discussed certain matters with HRG's senior management team and considered a number of factors that the HRG board of directors believed supported its determination and recommendation, including the following factors (not in any relative order of importance):

the in-depth knowledge of and familiarity with the business, operations, financial condition and prospects of Spectrum, HRG's primary asset that was developed by HRG as a significant stockholder of Spectrum and the belief that Spectrum Common Stock represents an attractive long term investment opportunity;

the belief that after the Merger, the ownership of HRG Common Stock will be less concentrated and the market for HRG Common Stock will be more liquid than HRG Common Stock or Spectrum Common Stock, and that the simplification of the holding company structure may increase investor interest in HRG and thus potentially further enhance these market dynamics;

that the Share Combination Ratio (i) only takes into account specific liabilities including HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing and (ii) is calculated to include a \$200,000,000 upward adjustment to, among other things, compensate pre-closing HRG stockholders for relinquishment of control over Spectrum and the value of the Tax Attributes, as more fully discussed in the section entitled *The Merger Consideration To Be Received by the Spectrum Stockholders and Consequences of the Reverse Stock Split* ;

the expectation that the Merger will eliminate the discount in the trading price of HRG shares and HRG assets in a sum of the parts valuation;

the value to HRG stockholders in removing the overhang on Spectrum Common Stock, related to HRG's majority ownership and the overhang on HRG Common Stock and Spectrum Common Stock related to the uncertainty regarding HRG's process to explore HRG Potential Strategic Alternatives;

the expectation that simplifying the holding company structure and eliminating the need to comply with two separate public reporting companies' legal, administrative and other obligations will reduce overhead, lead to cost savings, and enable management of HRG following the Merger to more fully focus on its business and

operations;

the belief that Spectrum's pending divestiture of its GBA Businesses will allow HRG and its stockholders to realize substantial value from the Tax Attributes in the near term;

the fact that the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby were negotiated on an arms-length basis between the HRG board of directors and its advisors, on the one hand, and a special committee consisting solely of independent and disinterested directors of Spectrum with the full power and authority to consider and make recommendations to the Spectrum board of directors in respect of any Spectrum Potential Strategic Alternative, on the other hand, and the fact that, consistent with the Spectrum Certificate of Incorporation, the Merger and the transactions contemplated thereby are conditioned on a non-waivable majority of the minority Spectrum shareholder vote;

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the fact that the board of directors of HRG was actively involved for the entirety of the strategic review process, considered a broad range of alternative transactions, including a rights issue to, sales to and other business combinations with third parties and acquisitions of and other business combinations with third parties, and had processes in place to facilitate an independent review by Messrs. Luterman, Ianna and Glovier of matters that impacted Fortress and Leucadia in a manner different from HRG stockholders generally, each as more fully described in the sections entitled *The Merger Background of the Merger* and *Interests of HRG Directors and Officers in the Merger* ;

the support of the Merger by Leucadia, which entered into a voting agreement pursuant to which, among other things, Leucadia agreed to vote its shares of HRG Common Stock to approve the HRG Charter Amendment and the HRG Share Issuance and to take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the Leucadia Voting Agreement, as more fully described in the section entitled *The Transaction Agreements Description of the Voting Agreements Leucadia Voting Agreement* ;

the support of the Merger by Fortress, who entered into a voting agreement pursuant to which, among other things, Fortress agreed to vote its shares of HRG Common Stock to approve the HRG Charter Amendment and the HRG Share Issuance and to take certain other actions, including voting against any alternative acquisition proposal or other proposal which would frustrate the purposes, or prevent, delay or otherwise adversely affect the consummation of the transactions contemplated by the Merger Agreement, on the terms and subject to the conditions set forth in the Fortress Voting Agreement, as more fully described in the section entitled *The Transaction Agreements Description of the Voting Agreements Fortress Voting Agreement* ;

feedback from HRG's stockholders who generally expressed support of pursuing the Merger with Spectrum;

the fact that the Reverse Stock Split, the HRG Share Issuance and the Merger generally are expected to be tax free to HRG and its stockholders;

the expectation that, in addition to the \$200,000,000 for the relinquishment of control over Spectrum and the value of the Tax Attributes, pre-closing HRG stockholders will be able to participate as stockholders of HRG after the Merger in the potential upside of the HRG Common Stock and value of the Tax Attributes;

the belief that (i) the Merger is more favorable to HRG stockholders than the potential value that would result from HRG continuing as a stand-alone company, (ii) it was unlikely that an alternative transaction with Spectrum or any other counterparty would provide superior value to the HRG stockholders and (iii) the terms of the Merger Agreement would not preclude or deter a willing and financially capable third party, were one to exist, from making a superior proposal with respect to HRG following the announcement of the Merger Agreement;

that, subject to certain conditions, the HRG board of directors is permitted to change its recommendation to its stockholders in response to a superior proposal or, in the absence of a superior proposal, in response to an intervening event, in each case if it determines that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, and that no termination fee is payable by HRG upon termination of the Merger Agreement in such event;

the right to terminate the Merger Agreement if, among other things, the Spectrum board of directors changes its recommendation to its stockholders in response to a superior proposal or an intervening event following a determination that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable law;

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that Spectrum will only be permitted to terminate the Merger Agreement as a result of a material adverse effect on HRG if all the applicable effects have resulted or would reasonably be expected to result in a net adverse impact in excess of \$100,000,000, and which excludes, among others, any effects relating to the Tax Attributes and any effects resulting from the negotiation, execution, consummation, existence, delivery, performance or announcement of the Merger Agreement to the business, financial condition or results of operation of HRG and its subsidiaries (excluding Spectrum and its subsidiaries);

the right, subject to certain conditions, to terminate the Merger Agreement if the Merger is not consummated on or before October 8, 2018;

the likelihood that the Merger will be consummated, based on, among other things, the nature of conditions to the Merger, including the fact that the Merger is not conditioned on the receipt of any regulatory approvals, third party consents or financing, other than the required stockholder approvals and consents described herein;

the oral opinion of J.P. Morgan delivered to the HRG board of directors, which was confirmed by delivery of a written opinion dated February 24, 2018, to the effect that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in preparing the opinion, the Share Combination Ratio in the proposed Transaction was fair, from a financial point of view, to the holders of HRG Common Stock, as more fully described in the section entitled *The Merger - Opinion of HRG's Financial Advisor*. The full text of the written opinion of J.P. Morgan, dated February 24, 2018, which sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations on the review undertaken by J.P. Morgan in preparing the opinion, is attached as Annex C to this joint proxy statement/prospectus;

the fact that, in order to preserve the value of the Tax Attributes following the consummation of the Merger, Leucadia and Fortress, the two largest stockholders of HRG following the consummation of the Merger, will be subject to certain limitations on the transfer of their shares of HRG Common Stock following the consummation of the Merger (subject to certain exceptions). These restrictions are set forth in the Amended HRG Charter, which is more fully discussed in the section entitled *Comparison of Stockholder Rights*; and

the fact that the HRG board of directors was advised by J.P. Morgan and Jefferies, as financial advisors, and Davis Polk, as legal advisor, each an internationally recognized firm selected by the HRG board of directors based on its respective qualifications, familiarity with HRG and Spectrum and the HRG board of directors review of each firm's relationships disclosure.

In the course of its deliberations, the HRG board of directors considered a variety of risks and other countervailing factors concerning the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, including the following factors (not in any relative order of importance):

the elimination of certain governance rights held by HRG pursuant to its ownership of a majority of the outstanding Spectrum Common Stock and pursuant to the Spectrum Certificate of Incorporation, the

Spectrum Bylaws and the Existing Stockholder Agreement (which will terminate at the Effective Time);

the potential that the \$200,000,000 upward adjustment in the calculation of the Share Combination Ratio does not adequately compensate pre-closing HRG stockholders for the relinquishment of control over Spectrum and the value of the Tax Attributes;

the fact that Spectrum received a demand letter from counsel for a purported Spectrum stockholder pursuant to Section 220 of the DGCL seeking inspection of Spectrum's books and records in connection with the Merger, which could indicate an increased risk of litigation involving Spectrum's transaction with HRG;

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the restrictions on the conduct of HRG's business until the consummation of the Merger or termination of the Merger Agreement, which may delay or prevent HRG from undertaking certain opportunities that may arise;

the value of the Tax Attributes to HRG following the Merger is in part subject to and dependent on, among other things, the expected results of Spectrum's business and operations, including the timing of its anticipated divestiture of the GBA Businesses;

following the Merger, HRG's ability to use the Tax Attributes to reduce future tax payments may be limited if HRG is considered to have experienced an ownership change for U.S. federal income tax purposes as a result of the Merger or as a result of future changes in ownership;

Leucadia and Fortress, which are expected to hold approximately 14% and 10%, respectively, of the outstanding HRG Common Stock at the closing of the Merger, have interests in the Merger that may be different from, or in addition to, the interests of other HRG stockholders, including registration rights at HRG, exemptions from certain ownership restrictions in the Amended HRG Charter, a restriction on HRG's ability to repurchase shares to prevent Fortress or Leucadia's permitted transfers from resulting in an ownership change within the meaning of Section 382 of the Code, tailored exemptions from certain transfer restrictions in the Amended HRG Charter and, in the case of Leucadia, certain board appointment and designation rights, among others, as more fully described in the section entitled *The Merger Interests of HRG's Directors and Officers in the Merger - Rights of Certain Stockholders* ;

the increased indebtedness of HRG after the Merger as compared to HRG and Spectrum as standalone entities due to the combined company's assumption of HRG's net debt as well as the incurrence of transaction fees and expenses by HRG and Spectrum

the fact that the Merger and the transactions contemplated thereby are conditioned on a non-waivable majority of the minority Spectrum shareholder vote;

the fact that there can be no assurance that all conditions to the parties' obligations to complete the Merger will be satisfied, including approvals by Spectrum and HRG stockholders, and that failure to complete the Merger may have a potential negative impact on HRG and/or its majority subsidiary, Spectrum, and their respective businesses and stock prices;

that, subject to certain conditions, the Spectrum board of directors is permitted to change its recommendation to its stockholders in response to a superior proposal or, in the absence of a superior proposal, an intervening event, in each case if it determines that the failure to change its recommendation would be reasonably likely to be inconsistent with its fiduciary duties under applicable law, in which case the voting obligations of Fortress and Leucadia will terminate, and that no termination fee is payable by Spectrum upon termination of the Merger Agreement in such event;

the fact that substantial costs will be incurred by both Spectrum and HRG in connection with the Merger and the transactions contemplated thereby, including in connection with any litigation that may result from the announcement or pendency of the Merger, and that some of those costs will be borne solely by pre-closing HRG stockholders in the calculation of the Share Combination Ratio;

the restrictions on HRG's ability to solicit alternative acquisition proposals from third parties, to provide non-public information to third parties and to engage in discussions with third parties regarding alternative acquisition proposals; and

each of the factors described above in the section entitled *Risk Factors*.

With respect to matters for which certain members of the HRG board of directors had a potential conflict of interest, such members were excused from the applicable discussion, and the disinterested and independent members of the HRG board of directors then continued the discussion and reviewed such matters, following which the independent members of the HRG board of directors made determinations which they then

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recommended to the full HRG board of directors and which the full HRG board of directors acted on. Further, after considering the potential conflicts of interest in the transaction with respect to Fortress and Leucadia, the independent members of the HRG board of directors were of the belief that no economic value potential available to the unaffiliated stockholders of HRG was foregone in exchange for the rights provided specifically to Fortress and Leucadia in the transaction. For a more detailed discussion of the process, see *The Merger Background of the Merger*.

The HRG board of directors weighed the benefits, advantages and opportunities against the risks and countervailing factors of entering into the Merger Agreement and the Related Agreements and completing the Merger and the other transactions contemplated thereby. Although the HRG board of directors realized that there can be no assurance about future results or outcomes, including results expected or considered in the factors listed above, the HRG board of directors concluded that the potential benefits, advantages and opportunities of entering into the Merger Agreement and the Related Agreements and completing the Merger and the other transactions contemplated thereby outweigh the risks and countervailing factors.

The foregoing discussion of the factors considered by the HRG board of directors in connection with its determination and recommendation on the fairness of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, including the HRG Share Issuance and the HRG Charter Amendment to HRG's stockholders is not intended to be exhaustive but is believed to include the material factors considered by the HRG board of directors. The HRG board of directors did not find it practicable to assign, and did not quantify, rank or otherwise assign, relative weights to the individual factors considered in reaching its conclusions as to the fairness of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, including the HRG Share Issuance and the HRG Charter Amendment. Rather, the HRG board of directors made its fairness determination and recommendation after consideration of all of the foregoing factors as a whole. In addition, individual members of the HRG board of directors may have given different weight to different information and factors.

In considering the recommendation of the HRG board of directors with respect to the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, including the HRG Share Issuance and the HRG Charter Amendment, HRG stockholders should be aware that certain of HRG's directors and executive officers have interests in the Merger that may be different from, or in addition to, those of HRG's stockholders generally. These interests may present such executive officers and directors with actual or potential conflicts of interest. These interests include, but are not limited to, the continued service of certain directors of HRG, the continued employment of certain executive officers of HRG, and the treatment in the Merger of equity awards and provisions in the Merger Agreement regarding continued indemnification of and advancement of expenses to HRG directors and officers. The members of the HRG board of directors were aware of these interests and considered them, among others, in their approval of the Merger Agreement, the Related Agreements, the Merger and the transactions contemplated thereby, including the HRG Share Issuance and the HRG Charter Amendment, and in the recommendation that HRG's stockholders approve the HRG Share Issuance and the HRG Charter Amendment. See *Interests of HRG's Directors and Officers in the Merger* for further discussion of these matters. The foregoing discussion of the information and factors considered by the HRG board of directors contains statements that are forward-looking in nature. This information should be read in light of the factors described in *Cautionary Statement Regarding Forward-Looking Statements*.

Opinion of the Spectrum Special Committee's Financial Advisor

At the meeting of the Spectrum Special Committee on February 23, 2018, Moelis reviewed with the Spectrum Special Committee Moelis' final financial analysis. At the meeting of the Spectrum Special Committee on February 24, 2018 to evaluate and approve the transactions contemplated by the Merger Agreement, Moelis delivered an oral opinion, which was confirmed by delivery of a written opinion, dated February 24, 2018, addressed to the Spectrum Special

Committee to the effect that, as of the date of the opinion and based upon and subject to the conditions and limitations set forth in the opinion, the Merger Exchange Ratio in the Transaction is

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fair, from a financial point of view, to the holders of Spectrum Common Stock (other than the Excluded Holders).

The full text of Moelis' written opinion dated February 24, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B to this joint proxy statement/prospectus and is incorporated herein by reference. Moelis' opinion was provided for the use and benefit of the Spectrum Special Committee (solely in its capacity as such) in its evaluation of the Transaction. Moelis' opinion is limited solely to the fairness, from a financial point of view, of the Merger Exchange Ratio in the Transaction, to the holders of the Spectrum Common Stock, other than the Excluded Holders, and does not address Spectrum's underlying business decision to effect the Transaction or the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available with respect to Spectrum. Moelis' opinion does not constitute a recommendation as to how any holder of securities should vote or act with respect to the Transaction or any other matter.

In arriving at its opinion, Moelis, among other things:

reviewed certain information relating to the capitalization and shareholdings of Spectrum and HRG, including pro forma for the Transaction;

reviewed certain internal information relating to the business, earnings, cash flow, assets, liabilities and prospects of Spectrum furnished to Moelis by Spectrum, including financial forecasts provided to or discussed with Moelis by the management of Spectrum;

reviewed information relating to contemplated divestitures by Spectrum of its GBA Businesses as discussed with Moelis by the management of Spectrum;

reviewed certain estimates by Spectrum relating to the pro forma utilization of net operating losses and certain other tax attributes of HRG following completion of the Transaction (referred to in this section as the Tax Attributes) furnished to Moelis;

conducted discussions with members of the senior managements and representatives of Spectrum concerning the information described above;

reviewed certain other transactions that Moelis deemed relevant;

reviewed a draft, dated February 24, 2018, of the Merger Agreement;

reviewed drafts dated February 24, 2018 of the Voting Agreements and the Post-Closing Stockholder Agreement (collectively referred to in this section as the Ancillary Agreement);

participated in certain discussions and negotiations among representatives of Spectrum and HRG and their advisors; and

conducted such other financial studies and analyses and took into account such other information as Moelis deemed appropriate.

In connection with its review, Moelis, with the Spectrum Special Committee's consent, relied on the information supplied to, discussed with or reviewed by Moelis for purposes of its opinion being complete and accurate in all material respects. Moelis did not assume any responsibility for independent verification of any of such information. Moelis assumed, at the Spectrum Special Committee's direction, both that Spectrum will consummate the contemplated divestiture of its Global Batteries business and/or its Appliances business prior to September 30, 2019 (the Contemplated Divestitures), and that the Tax Attributes will be available to HRG following completion of the Transaction. With the Spectrum Special Committee's consent, Moelis relied upon, without independent verification, the assessment of Spectrum and its legal, tax, regulatory and accounting advisors with respect to legal, tax, regulatory and accounting matters. With respect to the information Moelis reviewed relating to Spectrum and HRG and the Tax Attributes, Moelis assumed, at the Spectrum Special

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Committee's direction, that such information was reasonably prepared on a basis reflecting the best then-currently available information and judgments of the management of Spectrum or HRG, as the case may be. Moelis expressed no views as to the reasonableness of any information or the assumptions on which they were based. In addition, with the Spectrum Special Committee's consent, Moelis did not make any independent evaluation or appraisal of any of the assets or liabilities (contingent, derivative, off-balance-sheet, or otherwise) of Spectrum or HRG, nor was Moelis furnished with any such evaluation or appraisal.

Moelis' opinion did not address Spectrum's underlying business decision to effect the Transaction or the relative merits of the Transaction as compared to any alternative business strategies or transactions that might be available to Spectrum and did not address any legal, regulatory, tax or accounting matters. At the Spectrum Special Committee's direction, Moelis was not asked to, nor did it, offer any opinion as to any terms of the Merger Agreement, the Ancillary Agreements or any aspect or implication of the Transaction, except for the fairness of the Merger Exchange Ratio in the Transaction, from a financial point of view, to the holders of Spectrum Common Stock (other than the Excluded Holders). Moelis' opinion relates to the relative values of Spectrum and HRG. With the Spectrum Special Committee's consent, Moelis expressed no opinion as to what the value of HRG Common Stock actually will be when issued pursuant to the Transaction or the prices at which Spectrum Common Stock or HRG Common Stock may trade at any time. In rendering its opinion, Moelis assumed, with the Spectrum Special Committee's consent, that the final executed of the Merger Agreement and the Ancillary Agreements would not differ in any material respect from the drafts that Moelis had reviewed on February 24, 2018, that the Transaction will be consummated in accordance with its terms without any waiver or modification that could be material to Moelis' analysis, and that the parties to the Merger Agreement and the Ancillary Agreements will comply with all the material terms thereof. Moelis assumed, with the Spectrum Special Committee's consent, that all governmental, regulatory or other consents or approvals necessary for the completion of the Transaction will be obtained, except to the extent that could not be material to its analysis. In addition, representatives of Spectrum advised Moelis, and Moelis assumed, with the Spectrum Special Committee's consent, that the Transaction will qualify as a tax free reorganization for federal income tax purposes. In addition, Moelis noted the fact that, as a result of the Transaction, Spectrum would no longer be controlled by HRG or any other party, although such fact was not quantified as part of Moelis' financial analysis.

Moelis' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Moelis as of, the date of its opinion, and Moelis assumed no responsibility to update its opinion for developments after the date thereof, including with respect to any amendments to the then-current tax regime. As of the date of Moelis' opinion, the financial and stock markets had been adjusting to the impacts of the Tax Cuts and Jobs Act, and Moelis expressed no opinion or view as to any potential effects of such impacts on Spectrum, HRG or the Transaction.

Moelis' opinion does not address the fairness of the Transaction or any aspect or implication thereof to, or any other consideration of or relating to, the holders of any class of securities, creditors or other constituencies of Spectrum, other than the fairness of the Merger Exchange Ratio in the Transaction, from a financial point of view, to the holders of Spectrum Common Stock (other than the Excluded Holders). In addition, Moelis did not express any opinion as to the fairness of the amount or nature of any compensation to be received by any officers, directors or employees of any parties to the Transaction, or any class of such persons, relative to the Merger Exchange Ratio or otherwise. Moelis' opinion was approved by a Moelis fairness opinion committee.

The following is a summary of the material financial analyses presented by Moelis to the Spectrum Special Committee at its meeting held on February 23, 2018, in connection with Moelis' oral opinion delivered to the Spectrum Special Committee at its meeting on February 24, 2018, which was confirmed by delivery of a written opinion, dated February 24, 2018.

The summary of financial analyses below include information presented in tabular format. In order to fully understand Moelis analyses, the table must be read together with the text of the summary. The table alone does not constitute a complete description of the analyses. Considering the data described below without considering

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the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Moelis' analyses.

Summary of Financial Analyses***Net Value Impact to Holders of Spectrum Common Stock (other than Excluded Holders)***

Moelis calculated the estimated net value impact of the Transaction to the holders of Spectrum Common Stock (other than the Excluded Holders) by comparing (i) the implied market value of Spectrum on a standalone basis to such holders, to (ii) the net value impact of the Transaction to such holders taking into account the estimated value to HRG of the utilization of the Tax Attributes following completion of the Transaction expected to result from the Contemplated Divestitures, with no limitations under Section 382 of the Code.

The implied market value of Spectrum on a standalone basis as of February 16, 2018 was calculated as the enterprise value of Spectrum on a standalone basis, less Spectrum's net debt and minority interest. Moelis then calculated the proportionate market value of Spectrum on a standalone basis attributable to the holders of Spectrum Common Stock other than the Excluded Holders based on their aggregate percentage ownership of Spectrum on a standalone basis.

To calculate the net value impact of the Transaction to the holders of Spectrum Common Stock (other than the Excluded Holders), Moelis first calculated the implied pro forma market value of HRG, giving effect to the Transaction, to the holders of Spectrum Common Stock (other than the Excluded Holders), not including the estimated present value of Tax Attributes. Moelis made such calculation using the implied market value of Spectrum on a standalone basis as determined above, less the value of the remaining HRG net debt, less the incremental net debt estimated to be incurred in connection with funding certain financing and transaction costs for the Transaction, less the estimated amount of certain other HRG liabilities and wind-down costs. Utilizing this implied pro forma market value of HRG giving effect to the Transaction, Moelis calculated the proportionate implied pro forma market value of HRG attributable to the holders of Spectrum Common Stock (other than the Excluded Holders) based on their estimated pro forma percentage ownership of HRG.

Moelis then compared the proportionate market value of Spectrum on a standalone basis attributable to the holders of Spectrum Common Stock (other than the Excluded Holders), to the proportionate implied pro forma market value of HRG giving effect to the Transaction attributable to the holders of Spectrum Common Stock (other than the Excluded Holders), and arrived at an estimated upfront aggregate value of the Transaction to such holders of negative \$104 million, not including the estimated present value of Tax Attributes.

Moelis next calculated the estimated net value impact of the Transaction to holders of Spectrum Common Stock (other than the Excluded Holders) by adjusting the implied pro forma market value of HRG attributable to the holders of Spectrum Common Stock (other than the Excluded Holders) to take into account, on a present value basis, the estimated value of the utilization of the Tax Attributes to HRG following completion of the Transaction. For illustrative purposes only, Moelis prepared such adjustment assuming (i) no Contemplated Divestitures and (ii) limitations on the availability of the Tax Attributes under Section 382 of the Code beginning in fiscal year 2020 (and no such limitations in fiscal years 2018 and 2019) (based on the assumption that HRG would not be subject to a change in control until after the expiration of the 24-month lockup period to which Leucadia and Fortress will be subject with respect to their shares of HRG Common Stock), using the Tax Attributes for fiscal years 2018 to 2024, as furnished to Moelis by Spectrum. In connection with Moelis' opinion, Moelis prepared such adjustment assuming, at the Spectrum Special Committee's direction, that (i) the Contemplated Divestitures would occur, and (ii) there would be no limitations on the availability of the Tax Attributes under Section 382 of the Code, using the Tax Attributes for fiscal years 2018 to 2022, as furnished to Moelis by Spectrum. In performing this analysis, Moelis discounted the

estimated future Tax Attributes to present value utilizing the midpoint of a range of discount rates of 6.5% to 8.5%. Moelis then determined the present value of the Tax Attributes attributable to the holders of Spectrum Common Stock (other than the Excluded Holders) based on such holders' estimated pro forma percentage ownership of HRG.

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Moelis made these adjustments under the following four scenarios, with each of Scenarios (2), (3) and (4) assuming no limitations on the availability of the Tax Attributes under section 382 of the Code, as assumed by Moelis at the Spectrum Special Committee's direction:

- (1) no Contemplated Divestitures and limitations on the availability of the Tax Attributes under Section 382 of the Code beginning in fiscal year 2020 (with no such limitations in fiscal years 2018 and 2019) (for illustrative purposes only);
- (2) divestiture of Spectrum's Global Batteries business in fiscal year 2019;
- (3) divestiture of Spectrum's Appliances business in fiscal year 2018; and
- (4) divestitures of Spectrum's Appliances business in fiscal year 2018 and its Global Batteries business in fiscal year 2019.

This analysis indicated the following estimated net value impacts of the Transaction to holders of Spectrum Common Stock (other than the Excluded Holders):

	Scenario 1 (for illustrative purposes only)	Scenario 2	Scenario 3	Scenario 4
Estimated upfront net value impact (\$ millions)	\$ (22)	\$ 19	\$ 26	\$ 34

Moelis assumed, at the Spectrum Special Committee's direction, that scenario (1) would not occur and that Spectrum will consummate the Contemplated Divestitures and the Tax Attributes will be available to HRG following completion of the Transaction with no limitations under Section 382 of the Code.

Additional Information

Moelis also noted for the Spectrum Special Committee the following additional factors that were not considered as part of Moelis' financial analysis with respect to its opinion but were referenced for informational purposes only.

Implied Pro Forma Ownership Impact

Moelis noted the following implied pro forma ownership of HRG expected to result from the Transaction, and also noted that as a result of the Transaction, Spectrum would no longer be controlled by HRG or any other party (including Leucadia and Fortress through their ownership of HRG):

Ownership of Spectrum as of	Pro Forma
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	February 16, 2018	Ownership
Holders of Spectrum Common Stock (other than the Excluded Holders)	41.3%	42.2%
Existing Excluded Holders	58.7%	57.8%
of which, Leucadia	13.5% ⁽¹⁾	13.3%
of which, Fortress	9.6% ⁽¹⁾	9.4%

(1) Represents Leucadia's and Fortress' respective indirect ownership of Spectrum through their respective ownership of HRG, and does not take into account HRG's net indebtedness as of closing and certain transaction expenses of HRG that are unpaid as of closing or the \$200,000,000 that will each factor into the Merger Exchange Ratio.

Accretion/Dilution Analyses

Moelis noted the potential pro forma financial effects of the Transaction on HRG's fiscal years 2018 and 2019 adjusted earnings per share (calculated as earnings per share, not taking into account any tax benefits and

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excluding the impact of one-time transaction expenses) (Adjusted EPS), and free cash flow (FCF), in each case assuming (i) the Contemplated Divestitures would not occur and (ii) limitations on the availability of the Tax Attributes under Section 382 of the Code beginning in fiscal year 2020 (with no such limitations in fiscal years 2018 and 2019) (based on the assumption that the Transaction would not be subject to a change in control until after the expiration of the 24-month lockup period to which Leucadia is subject with respect to its shares of HRG Common Stock). The financial data Moelis used was based on financial forecasts provided to Moelis by Spectrum. This analysis indicated that the Transaction could be:

dilutive to 2018 Adjusted EPS and 2019 Adjusted EPS by 1.1% and 0.9%, respectively;

dilutive to 2018 FCF by 0.7%; and

accretive to 2019 FCF by 5.4%.

The actual results achieved by HRG may vary from forecasted results and the variations may be material, including if the Contemplated Divestitures occur and the Tax Attributes are available to HRG with no limitations under Section 382 of the Code following completion of the Transaction.

Miscellaneous

This summary of the analyses is not a complete description of Moelis' opinion or the analyses underlying, and factors considered in connection with, Moelis' opinion. The preparation of a fairness opinion is a complex analytical process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Moelis' opinion. In arriving at its fairness determination, Moelis considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis. Rather, Moelis made its fairness determination on the basis of its experience and professional judgment after considering the results of all of its analyses. Moelis was not authorized to solicit and did not solicit indications of interest in a possible Transaction with Spectrum from any party.

The analyses described above do not purport to be appraisals, nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by such analyses. Because the analyses described above are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, neither Spectrum, nor Moelis or any other person assumes responsibility if future results are materially different from those forecast.

The Merger Exchange Ratio was determined through arms-length negotiations between Spectrum and HRG and was approved by the Spectrum Special Committee and the Spectrum board of directors. Moelis did not recommend any specific consideration to Spectrum, the Spectrum Special Committee or the Spectrum board of directors, or that any specific amount or type of consideration constituted the only appropriate consideration for the Transaction.

Moelis acted as financial advisor to the Spectrum Special Committee in connection with the Transaction and will receive a fee for its services of \$20 million in the aggregate, \$5 million of which became payable in connection with the delivery of its opinion, and the remainder of which is contingent upon completion of the Transaction. In addition,

Spectrum has agreed to indemnify Moelis for certain liabilities, including liabilities under the federal securities laws, arising out of its engagement.

Moelis affiliates, employees, officers and partners may at any time own securities (long or short) of Spectrum and HRG. Moelis may in the future provide investment banking and other services to Spectrum and HRG unrelated to the Transaction and may receive compensation for such services. In the past two years prior to the date of the opinion, Moelis did not provide investment banking or other services to Spectrum or HRG.

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The Spectrum Special Committee selected Moelis as its financial advisor in connection with the Transaction because Moelis has substantial experience in similar transactions and familiarity with Spectrum. Moelis is regularly engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, strategic transactions, corporate restructurings, and valuations for corporate and other purposes.

Spectrum Management's Unaudited Prospective Financial Information

Spectrum does not generally make long-term public forecasts as to future performance, earnings or other results (other than limited earning per share guidance), and forecasts may be of limited utility due to the unpredictability of the underlying assumptions and estimates. Spectrum's management provided certain unaudited prospective financial information relating to Spectrum, prepared by Spectrum management as of September 13, 2017 and supplemented on September 29, 2017, January 8, 2018, February 13, 2018 and February 19, 2018 (the Spectrum Forecasts), to the Spectrum Special Committee in connection with its evaluation of the proposed transaction. Spectrum's management provided the Spectrum Forecasts to Moelis for its use in connection with its financial analyses summarized under *Opinion of the Spectrum Special Committee's Financial Advisor*.

Spectrum has included the below summaries of the Spectrum Forecasts to provide Spectrum stockholders access to certain non-public information that was furnished to the Spectrum Special Committee in connection with its evaluation of the proposed transaction and to Moelis for its use in connection with its financial analyses summarized under *Opinion of the Spectrum Special Committee's Financial Advisor*. As described further under *Opinion of the Spectrum Special Committee's Financial Advisor*, while Moelis assumed and relied upon the Spectrum Forecasts, for purposes of its financial analyses summarized under *Opinion of the Spectrum Special Committee's Financial Advisor*, Moelis expressed no view or opinion as to the Spectrum Forecasts or the assumptions on which they were based.

The Spectrum Forecasts were not prepared for the purpose of public disclosure, nor were they prepared in compliance with published guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or GAAP but, in the view of Spectrum's management, were prepared on a reasonable basis, and as of the dates they were prepared reflected the best available estimates and judgments, and presented, to the best of Spectrum management's knowledge and belief as of such dates, the expected course of action and the expected future financial performance of Spectrum. The below summaries of the Spectrum Forecasts are not being included in this joint proxy statement/prospectus to influence your decision whether to vote for the Spectrum Merger Proposal or the HRG Required Proposals, but because the Spectrum Forecasts were provided to the Spectrum Special Committee, Moelis and HRG. Neither Spectrum's independent registered public accounting firms, nor any other independent accountants, have examined, compiled, or performed any procedures with respect to the Spectrum Forecasts and, accordingly, no independent accountant expresses an opinion or any other form of assurance with respect to the Spectrum Forecasts or the achievability of the results reflected therein. Neither Spectrum's independent registered public accounting firm, nor any other independent accountant, assumes any responsibility for the Spectrum Forecasts, and such accounting firms disclaim any association with the Spectrum Forecasts. The reports of Spectrum's independent registered public accounting firms incorporated by reference into this joint proxy statement/prospectus relate to Spectrum's historical financial information, respectively, and no such report extends to the Spectrum Forecasts or should be read to do so.

The Spectrum Forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of Spectrum's management. Important factors that may affect actual results and cause the Spectrum Forecasts to not be achieved include, but are not limited to, risks and uncertainties relating to the businesses (including the ability of the businesses to achieve their strategic goals, objectives and targets over applicable periods), industry performance, the regulatory environment, general business and economic conditions

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and other factors described under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements*. The Spectrum Forecasts also reflect the following assumptions that are subject to change:

The Spectrum pre-tax income reflects an average annual growth of net sales of approximately 4% across divisions with projected growth in bases sales of 3% annually when excluding revenue growth due to M&A activity based on global market conditions, product category growth rates and inflation.

Gross profit realization is expected to be consistent during the forecasted period of approximately 38-39% including contributing margins from M&A activity during the forecasted period.

Operating expenses are projected to be an average of 23% of net sales during the forecasted period with increases in spending towards marketing and product innovation above historical levels, and investment in capability to support the businesses being offset with restructuring initiatives to drive down selling, general and administrative expenses across divisions.

The projected sale of the Battery Business is forecasted to be closed in fiscal 2019 with a sale price of \$2.0 billion. A projected sale of the Appliance Business is forecasted to be closed in Fiscal 2018 with an anticipated sale price of \$1.6-1.7 billion.

Interest costs and costs of capital were kept constant relative to recent historical periods and adjusted for deleveraging realized from using cash flow to pay down debt.

Actual results may differ materially from the Spectrum Forecasts. Accordingly, there can be no assurance that the Spectrum Forecasts will be realized.

Spectrum, and its affiliates, advisors, officers, directors, or other representatives, cannot provide any assurance that actual results will not differ from the Spectrum Forecasts, and none of them undertakes any obligation to update, or otherwise revise or reconcile, the Spectrum Forecasts to reflect circumstances existing after the date that the Spectrum Forecasts were prepared or to reflect the occurrence of future events, even in the event that any or all of the assumptions relating thereto are shown to be in error. Except as required by applicable securities laws, Spectrum does not intend to make publicly available any update or other revision to the Spectrum Forecasts, even in the event that any or all assumptions relating thereto are shown to be in error. Since the date of the Spectrum Forecasts, Spectrum has made publicly available its actual results of operations for the fiscal quarter ended December 31, 2017. You should review Spectrum's Quarterly Report on Form 10-Q filed with the SEC on February 8, 2018 for this information. None of Spectrum or its respective affiliates, advisors, officers, directors, or representatives has made or makes any representation to any stockholder or other person regarding Spectrum's ultimate performance compared to the information contained in the Spectrum Forecasts or that forecasted results will be achieved. Spectrum has made no representation to HRG or to anyone else, in the Merger Agreement or otherwise, concerning the Spectrum Forecasts.

<i>(\$ in millions)</i>	2018E	2019E	2020E	2021E	2022E
Spectrum U.S. pre-tax income	\$ 291	\$ 340	\$ 350	\$ 361	\$ 371

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U.S. pre-tax income allocable to sale of Appliances Business	(24)	(54)	(59)	(69)	(76)
U.S. pre-tax income allocable to sale of Global Battery Business		(64)	(72)	(85)	(91)
Estimated pre-tax gain on sale of Appliances Business	724				
Estimated pre-tax gain on sale of Global Battery Business		976			
Estimated global intangible low-tax income taxable income on sale of Global Battery Business		20			
Tax Attributes*					
Existing Spectrum NOLs ⁽¹⁾	449				

* In order to analyze scenarios in which (a) there was no divestiture of either the Global Battery Business or the Appliances Business (or both) and (b) there are limitations under Section 382 of the Code on the utilization of tax attributes, management also provided an initial estimate, that was subject to refinement, of the annual limitation on the ability to use such tax attributes under Section 382 of the Code (which included

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an \$80mm uplift in annual limitation from FY 20 to FY 23 assumed due to the amortization of recognized built-in gains).

(1) Includes \$196 million of separate return limitation year NOLs and \$253 million of unlimited NOLs.

Opinion of HRG's Financial Advisor

Pursuant to an engagement letter, dated August 24, 2017, HRG retained J.P. Morgan as its financial advisor in connection with the proposed Transaction.

At the meeting of the HRG board of directors on February 24, 2018, J.P. Morgan rendered its oral opinion to the HRG board of directors that, as of such date and based upon and subject to the assumptions made, procedures followed, matters considered and limitations on the review undertaken as set forth in its opinion, the Share Combination Ratio in the proposed Transaction was fair, from a financial point of view, to the holders of HRG Common Stock. J.P. Morgan has confirmed its February 24, 2018 oral opinion by delivering its written opinion to the HRG board of directors, dated February 24, 2018, that, as of such date, the Share Combination Ratio in the proposed Transaction was fair, from a financial point of view, to the holders of HRG Common Stock.

The full text of the written opinion of J.P. Morgan, dated February 24, 2018, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken, is attached as Annex C to this joint proxy statement/prospectus and is incorporated herein by reference. The summary of the opinion of J.P. Morgan set forth in this joint proxy statement/prospectus is qualified in its entirety by reference to the full text of such opinion. HRG's stockholders are urged to read the opinion in its entirety. J.P. Morgan's written opinion was addressed to the HRG board of directors (in its capacity as such) in connection with and for the purposes of its evaluation of the proposed Transaction, and was directed only to the Share Combination Ratio in the proposed Transaction and did not address any other aspect of the proposed Transaction. J.P. Morgan expressed no opinion as to the fairness of the Share Combination Ratio to the holders of any class of securities, creditors or other constituencies of HRG or as to the underlying decision by HRG to engage in the proposed Transaction. The issuance of J.P. Morgan's opinion was approved by a fairness committee of J.P. Morgan. The opinion does not constitute a recommendation to any stockholder of HRG as to how such stockholder should vote with respect to the HRG Proposals or any other matter.

In arriving at its opinion, J.P. Morgan, among other things:

reviewed the Merger Agreement;

reviewed certain publicly available business and financial information concerning HRG and Spectrum and the industries in which they operate;

compared the financial and operating performance of HRG and Spectrum with publicly available information concerning certain other companies J.P. Morgan deemed relevant and reviewed the current and historical market prices of HRG Common Stock and Spectrum Common Stock and certain publicly traded securities of such other companies;

reviewed certain internal financial analyses and forecasts prepared by the managements of HRG and Spectrum relating to their respective businesses (for more information regarding the use of such projections,

please refer to the section entitled "HRG Management's Unaudited Prospective Financial Information"); and

performed such other financial studies and analyses and considered such other information as J.P. Morgan deemed appropriate for the purposes of its opinion.

In addition, J.P. Morgan held discussions with certain members of the management of HRG with respect to certain aspects of the Transaction, and the past and current business operations of HRG and Spectrum, the financial condition and future prospects and operations of HRG and Spectrum, the effects of the Transaction on the financial condition and future prospects of HRG and Spectrum, and certain other matters J.P. Morgan believed necessary or appropriate to its inquiry.

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In giving its opinion, J.P. Morgan relied upon and assumed the accuracy and completeness of all information that was publicly available or was furnished to or discussed with J.P. Morgan by HRG and Spectrum or otherwise reviewed by or for J.P. Morgan. J.P. Morgan did not independently verify any such information or its accuracy or completeness and, pursuant to J.P. Morgan's engagement letter with HRG, J.P. Morgan did not assume any obligation to undertake any such independent verification. J.P. Morgan did not conduct or was not provided with any valuation or appraisal of any assets or liabilities, nor did J.P. Morgan evaluate the solvency of HRG or Spectrum under any applicable laws relating to bankruptcy, insolvency or similar matters. In relying on financial analyses and forecasts provided to J.P. Morgan or derived therefrom, J.P. Morgan assumed that they were reasonably prepared based on assumptions reflecting the best then-available estimates and judgments by management as to the expected future results of operations and financial condition of HRG and Spectrum to which such analyses or forecasts relate. J.P. Morgan expressed no view as to such analyses or forecasts or the assumptions on which they were based. J.P. Morgan also assumed that the Transaction will qualify as a tax-free reorganization for United States federal income tax purposes, and will be consummated as described in the Merger Agreement. J.P. Morgan also assumed that the representations and warranties made by HRG and Spectrum in the Merger Agreement and the related agreements were and will be true and correct in all respects material to its analysis. J.P. Morgan is not a legal, regulatory or tax expert and relied on the assessments made by advisors to HRG with respect to such issues. J.P. Morgan further assumed that all material governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any adverse effect on HRG or Spectrum or on the contemplated benefits of the Transaction.

J.P. Morgan's opinion was necessarily based on economic, market and other conditions as in effect on, and the information made available to J.P. Morgan as of, the date of such opinion. J.P. Morgan's opinion noted that subsequent developments may affect J.P. Morgan's opinion, and that J.P. Morgan does not have any obligation to update, revise, or reaffirm such opinion. J.P. Morgan's opinion is limited to the fairness, from a financial point of view, to the holders HRG Common Stock of the Share Combination Ratio in the proposed Transaction, and J.P. Morgan has expressed no opinion as to the fairness of any consideration to be paid in connection with the Transaction to the holders of any other class of securities, creditors or other constituencies of HRG or the underlying decision by HRG to engage in the Transaction. At the direction of HRG, for purposes of J.P. Morgan's opinion, J.P. Morgan assumed that the Saturn VWAP (as defined in the Merger Agreement) was determined as of February 22, 2018; however, pursuant to the terms of the Merger Agreement, the Saturn VWAP is determined as of the closing of the Transaction and may differ from the Saturn VWAP that J.P. Morgan assumed for purposes of its opinion. J.P. Morgan expressed no opinion regarding, and its opinion does not reflect, any effect arising from HRG's ownership and control of a majority of Spectrum Common Stock prior to giving effect to the Transaction. At the direction of HRG, J.P. Morgan assumed that the divestitures of the businesses of Spectrum identified by the management of HRG to J.P. Morgan will be consummated in the manner discussed with the management of HRG and that HRG's net operating losses will be applied in the manner discussed with the management of HRG. Furthermore, J.P. Morgan expressed no opinion with respect to the amount or nature of any compensation to any officers, directors, or employees of any party to the Transaction, or any class of such persons relative to the Share Combination Ratio applicable to the holders of HRG Common Stock in the Transaction or with respect to the fairness of any such compensation. J.P. Morgan expressed no opinion as to the price at which HRG Common Stock or Spectrum Common Stock will trade at any future time.

The terms of the Merger Agreement, including the Share Combination Ratio, were determined through arm's length negotiations between HRG and Spectrum, and the decision to enter into the Merger Agreement was solely that of the HRG board of directors. J.P. Morgan's opinion and financial analyses were only one of the many factors considered by the HRG board of directors in its evaluation of the proposed Transaction and should not be viewed as determinative of the views of the HRG board of directors or management of HRG with respect to the proposed Transaction or the Share Combination Ratio.

In accordance with customary investment banking practice, J.P. Morgan employed generally accepted valuation methodologies in rendering its opinion to the HRG board of directors on February 24, 2018 and contained in the presentation delivered to the HRG board of directors on such date in connection with the

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rendering of such opinion. The following is a summary of the material financial analyses utilized by J.P. Morgan in connection with rendering its opinion to the HRG board of directors and does not purport to be a complete description of the analyses or data presented by J.P. Morgan. Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by J.P. Morgan, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of J.P. Morgan's analyses.

Public Trading Multiples. Using publicly available information, J.P. Morgan compared selected financial data of Spectrum with similar data for selected publicly traded companies engaged in businesses that J.P. Morgan judged to be sufficiently analogous to the business of Spectrum.

The companies selected by J.P. Morgan were as follows:

Newell Brands, Inc.

The Scotts Miracle-Gro Company

Edgewell Personal Care Company (excluding its acquisition of Jack Black, LLC as the terms of such acquisition were not disclosed)

Helen of Troy Limited

None of the selected companies reviewed is identical to Spectrum. These companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of Spectrum. However, certain of these companies may have characteristics that are materially different from those of Spectrum. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the selected companies differently than they would affect Spectrum.

Using publicly available information, J.P. Morgan calculated, for each selected company, the ratio of the company's firm value (calculated as the market value of the company's common stock on a fully diluted basis, plus any debt and minority interest, less unconsolidated investments and cash and cash equivalents) to the consensus equity research analyst estimate for the company's earnings before interest, tax, depreciation and amortization and adjusted to exclude stock based compensation (EBITDA) for the years ending September 30, 2018 (the 2018 EBITDA) and September 30, 2019 (the 2019 EBITDA).

Based on the results of this analysis, J.P. Morgan selected multiple reference ranges for 2018 EBITDA of 9.0x – 12.5x and multiple reference ranges for 2019 EBITDA of 9.0x – 12.0x.

After applying such ranges to the projected EBITDA for Spectrum for the year ending September 30, 2018 and the year ending September 30, 2019, based on projections provided by the management of Spectrum as adjusted by the management of HRG (please refer to the section entitled *HRG Management's Unaudited Prospective Financial*

Information), the analysis indicated the following implied per share equity value ranges for Spectrum Common Stock, rounded to the nearest \$0.25:

	Implied Per Share Equity Value	
	Low	High
2018 EBITDA	\$101.25	\$144.50
2019 EBITDA	\$106.00	\$144.50

The ranges of implied per share equity values for Spectrum Common Stock were then compared to Spectrum's closing share price of \$103.70 on February 22, 2018.

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Based on the implied per share equity value ranges for Spectrum Common Stock calculated in the analysis above, J.P. Morgan calculated the implied per share equity value ranges for HRG Common Stock. To derive the lowest implied per share equity value for HRG Common Stock, J.P. Morgan multiplied the lowest implied equity value per share of Spectrum Common Stock by the number of shares of Spectrum Common Stock owned by HRG, subtracted the HRG projected net debt, as provided by the management of HRG, and then divided by the number of shares of HRG Common Stock outstanding on a fully diluted basis. To derive the highest implied per share equity value for HRG Common Stock, J.P. Morgan multiplied the highest equity value per share of Spectrum Common Stock by the number of shares of Spectrum Common Stock owned by HRG, subtracted the HRG projected net debt, as provided by the management of HRG, and then divided by the number of shares of HRG Common Stock outstanding on a fully diluted basis. The analysis indicated the following implied per share equity value ranges for HRG Common Stock, rounded to the nearest \$0.25:

	Implied Per Share Equity Value	
	Low	High
2018 EBITDA	\$15.50	\$22.75
2019 EBITDA	\$16.25	\$22.75

The ranges of implied per share equity values for HRG Common Stock were then compared to HRG's closing share price of \$15.89 on February 22, 2018.

Discounted Cash Flow Analysis. J.P. Morgan conducted a discounted cash flow analysis for the purpose of determining the fully diluted equity value per share for Spectrum. A discounted cash flow analysis is a method of evaluating an asset using estimates of the future unlevered free cash flows generated by the asset, and taking into consideration the time value of money with respect to those cash flows by calculating their present value. Unlevered free cash flows refers to a calculation of the future cash flows generated by an asset without including in such calculation any debt servicing costs. Specifically, unlevered free cash flow represents unlevered net operating profit after tax, adjusted for depreciation and amortization, capital expenditures, changes in net working capital and certain other one-time cash expenses, as applicable. Present value refers to the current value of the cash flows generated by the asset, and is obtained by discounting those cash flows back to the present using an appropriate discount rate and applying a discounting convention that assumes that all cash flows were generated at the midpoint of each period.

J.P. Morgan calculated the unlevered free cash flows that Spectrum is expected to generate during fiscal years 2018 through 2021 based upon projections provided by the management of Spectrum as adjusted by the management of HRG (please refer to the section entitled *HRG Management's Unaudited Prospective Financial Information*). J.P. Morgan also calculated a range of terminal values of Spectrum at the end of the four year period ending in 2021 by applying a perpetual growth rate ranging from 1.0% to 2.0% to the unlevered free cash flow of Spectrum during the terminal period of the projections. Terminal value refers to the present value of all future cash flows generated by the asset for periods beyond the projections period. The unlevered free cash flows and the range of terminal values were then discounted to present values as of December 31, 2017 using a range of discount rates from 6.75% to 7.25%. This discount rate range was based upon J.P. Morgan's analysis of the weighted-average cost of capital of Spectrum.

Based on the foregoing, this analysis indicated the following implied per share equity value range, rounded to the nearest \$0.25, for Spectrum Common Stock:

	Implied Per Share Equity Value	
	Low	High
Discounted Cash Flow Analysis	\$135.00	\$174.75

The ranges of implied per share equity values for Spectrum Common Stock were then compared to Spectrum's closing share price of \$103.70 on February 22, 2018.

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Based on the implied per share equity value ranges for Spectrum Common Stock calculated in the analysis above, J.P. Morgan calculated the implied per share equity value ranges for HRG Common Stock. To derive the lowest implied per share equity value for HRG Common Stock, J.P. Morgan multiplied the lowest implied equity value per share of Spectrum Common Stock by the number of shares of Spectrum Common Stock owned by HRG, subtracted the HRG projected net debt, as provided by the management of HRG, and then divided by the number of shares of HRG Common Stock outstanding on a fully diluted basis. To derive the highest implied per share equity value for HRG Common Stock, J.P. Morgan multiplied the highest equity value per share of Spectrum Common Stock by the number of shares of Spectrum Common Stock owned by HRG, subtracted the HRG projected net debt, as provided by the management of HRG, and then divided by the number of shares of HRG Common Stock outstanding on a fully diluted basis. The analysis indicated the following implied per share equity value ranges for HRG Common Stock, rounded to the nearest \$0.25:

	Implied Per Share Equity Value	
	Low	High
Discounted Cash Flow Analysis	\$21.25	\$27.75

The ranges of implied per share equity values for HRG Common Stock were then compared to HRG's closing share price of \$15.89 on February 22, 2018.

Relative Implied Share Combination Ratio Analysis. J.P. Morgan compared the results for Spectrum to the results for HRG with respect to the public trading multiples and discounted cash flow analyses described above.

For each comparison, J.P. Morgan divided the lowest implied equity value per share of HRG Common Stock by the lowest implied equity value per share of Spectrum Common Stock to derive the lowest Share Combination Ratio implied by each pair of results. J.P. Morgan also divided the highest implied equity value per share of HRG Common Stock by the highest implied equity value per share for Spectrum Common Stock to derive the highest Share Combination Ratio implied by each pair of results. The implied Share Combination Ratios resulting from this analysis were:

	Implied Share Combination Ratios	
	Low	High
<i>Public Trading Multiples</i>		
2018 EBITDA	0.1531x	0.1574x
2019 EBITDA	0.1533x	0.1574x
<i>Discounted Cash Flow Analysis</i>	0.1574x	0.1588x

The implied Share Combination Ratios were then compared to the Share Combination Ratio of 0.1638x, calculated based on the Saturn VWAP as of February 22, 2018, and the Share Combination Ratio of 0.1532x implied by the closing prices of Spectrum Common Stock and HRG Common Stock on February 22, 2018 of \$103.70 and \$15.89, respectively.

Value Creation Analysis. J.P. Morgan conducted an analysis of the theoretical value creation to the holders of HRG Common Stock that compared the estimated implied equity value of ownership by the holders of HRG Common Stock in Spectrum on a standalone basis based on the midpoint value determined in J.P. Morgan's discounted cash flow analysis described above and, at the direction of the management of HRG, adjusted by HRG's net debt (and subject to certain adjustments as provided by the management of HRG (please refer to the section entitled *HRG*

Management's Unaudited Prospective Financial Information)), to the estimated implied equity value of ownership by the holders of HRG Common Stock in the combined company, pro forma for the Transaction.

J.P. Morgan calculated the pro forma implied equity value of ownership by the holders of HRG Common Stock in the combined company by (a) adding the sum of the implied equity value of Spectrum on a standalone

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basis using the midpoint value determined in J.P. Morgan's discounted cash flow analysis described above and the value of HRG's capital losses and net operating losses assumed by Spectrum, (b) subtracting the sum of HRG's net debt, as directed by the management of HRG, and the estimated transaction costs relating to the Transaction and (c) multiplying such result by the pro forma equity ownership of the combined company by the holders of HRG Common Stock. This value creation analysis indicated that the Transaction would create value for the holders of HRG Common Stock as compared to the implied equity value of ownership by the holders of HRG on a standalone basis. There can be no assurance, however, that the transaction-related costs and other impacts referred to above will not be substantially greater or less than those estimated by the management of HRG and described above.

Miscellaneous. The foregoing summary of certain material financial analyses does not purport to be a complete description of the analyses or data presented by J.P. Morgan. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. J.P. Morgan believes that the foregoing summary and its analyses must be considered as a whole and that selecting portions of the foregoing summary and these analyses, without considering all of its analyses as a whole, could create an incomplete view of the processes underlying the analyses and its opinion. As a result, the ranges of valuations resulting from any particular analysis or combination of analyses described above were merely utilized to create points of reference for analytical purposes and should not be taken to be the view of J.P. Morgan with respect to the actual value of HRG or Spectrum. The order of analyses described does not represent the relative importance or weight given to those analyses by J.P. Morgan. In arriving at its opinion, J.P. Morgan did not attribute any particular weight to any analyses or factors considered by it and did not form an opinion as to whether any individual analysis or factor (positive or negative), considered in isolation, supported or failed to support its opinion. Rather, J.P. Morgan considered the totality of the factors and analyses performed in determining its opinion.

Analyses based upon forecasts of future results are inherently uncertain, as they are subject to numerous factors or events beyond the control of the parties and their advisors. Accordingly, forecasts and analyses used or made by J.P. Morgan are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by those analyses. Moreover, J.P. Morgan's analyses are not and do not purport to be appraisals or otherwise reflective of the prices at which businesses actually could be acquired or sold. None of the selected companies reviewed as described in the above summary is identical to Spectrum. However, the companies were selected, among other reasons, because they are publicly traded companies with operations and businesses that, for purposes of J.P. Morgan's analysis, may be considered similar to those of Spectrum. However, certain of these companies may have characteristics that are materially different from those of Spectrum. The analyses necessarily involve complex considerations and judgments concerning differences in financial and operational characteristics of the companies involved and other factors that could affect the companies compared to Spectrum.

As a part of its investment banking business, J.P. Morgan and its affiliates are continually engaged in the valuation of businesses and their securities in connection with mergers and acquisitions, investments for passive and control purposes, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements, and valuations for corporate and other purposes. J.P. Morgan was selected to advise HRG with respect to the Transaction on the basis of, among other things, such experience and its qualifications and reputation in connection with such matters and its familiarity with HRG, Spectrum and the industries in which they operate.

HRG has agreed to pay J.P. Morgan a fee of up to \$5.0 million, \$2.0 million of which became payable to J.P. Morgan at the time J.P. Morgan delivered its opinion and the remainder of which is contingent and payable upon the consummation of the proposed Transaction. In addition, HRG has agreed to reimburse J.P. Morgan for its expenses incurred in connection with its services, including the fees and disbursements of counsel, and to indemnify J.P. Morgan against certain liabilities arising out of J.P. Morgan's engagement. During the two years preceding the date of J.P. Morgan's opinion, J.P. Morgan and its affiliates have had commercial or investment

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banking relationships with Spectrum and with Fortress Investment Group, LLC (Fortress Parent), an affiliate of a significant shareholder of HRG, for which J.P. Morgan and such affiliates have received customary compensation. Such services during such period have included acting as joint lead arranger and joint bookrunner in the refinancing of two revolving credit facilities of Spectrum in March 2017, as joint bookrunner of an offering of non-investment grade debt securities of Spectrum in September 2016, as a lead underwriter of the initial public offering of the Mosaic Acquisition (a special purpose acquisition corporation formed by an affiliate of Fortress Parent and Mr. Maura, Executive Chairman of the Spectrum board of directors) in October 2017 and as a bookrunner of multiple asset backed securities offerings by Fortress Parent over the period. J.P. Morgan and its affiliates are also currently engaged by Fortress Parent to provide certain additional financial advisory and financing activities in connection with potential transactions (unrelated to the Merger) which may or may not proceed. See *Interests of Spectrum's Directors and Officers in the Merger* for further discussion of these matters. In addition, J.P. Morgan and its affiliates have provided financing and securities underwriting services to certain of Fortress Parent's portfolio companies (other than HRG) during such period, and J.P. Morgan's commercial banking affiliate is an agent bank and a lender under outstanding credit facilities of certain of such portfolio companies, for which it receives customary compensation or other financial benefits. During the two year period preceding delivery of its opinion, the aggregate fees received by J.P. Morgan from Fortress Parent and its subsidiaries and affiliates was approximately \$16.0 million. In addition, J.P. Morgan and its affiliates hold, on a proprietary basis, less than 1% of the outstanding common stock of each of HRG, Spectrum, Fortress Parent and Leucadia, another significant shareholder of HRG. During the two year period preceding delivery of its opinion, the aggregate fees received by J.P. Morgan from HRG were less than \$1.0 million and from Spectrum were less than \$1.0 million. In the ordinary course of their businesses, J.P. Morgan and its affiliates may actively trade the debt and equity securities of HRG or Spectrum for their own accounts or for the accounts of customers and, accordingly, they may at any time hold long or short positions in such securities or other financial instruments.

HRG Management's Unaudited Prospective Financial Information

HRG does not generally make long-term public forecasts as to future performance, earnings or other results (other than limited earning per share guidance), and forecasts may be of limited utility due to the unpredictability of the underlying assumptions and estimates. Using Spectrum's forecasts, or a subset of such forecasts provided to HRG, HRG's management prepared unaudited forecasts financial information for Spectrum on a standalone basis for the fiscal years ending September 30, 2018 through September 30, 2021 (the HRG Forecasts). The HRG Forecasts were prepared by HRG's management by making the adjustments to the Spectrum Forecasts described below. The Spectrum Forecasts are described in greater detail in *Spectrum Management's Unaudited Prospective Financial Information*.

HRG has included the below summaries of the HRG Forecasts to provide HRG stockholders access to certain non-public information that was furnished to the HRG board of directors in connection with its evaluation of the proposed transaction and to J.P. Morgan for its use in connection with its financial analyses summarized under *Opinion of HRG's Financial Advisor*. As further described under *Opinion of HRG's Financial Advisor*, while J.P. Morgan assumed and relied upon the HRG Forecasts, for purposes of its financial analyses summarized under *Opinion of HRG's Financial Advisor*, J.P. Morgan expressed no view or opinion as to the HRG Forecasts or the assumptions on which they were based.

The HRG Forecasts were not prepared for the purpose of public disclosure, nor were they prepared in compliance with published guidelines of the SEC, or the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of financial forecasts, or GAAP but, in the view of HRG's management were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and presents, to the best of HRG management's knowledge and belief, the expected course of action and the expected future financial performance of Spectrum. The below summaries of the HRG Forecasts are not being included in this joint proxy statement/prospectus to influence your decision whether to vote for the HRG Merger Proposal or the HRG Required

Proposals, but because the HRG Forecasts were provided to the HRG

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board of directors and J.P. Morgan. Neither HRG's independent registered public accounting firms, nor any other independent accountants, have examined, compiled, or performed any procedures with respect to the HRG Forecasts and, accordingly, no independent accountant expresses an opinion or any other form of assurance with respect to the HRG Forecasts or the achievability of the results reflected therein. Neither HRG's independent registered public accounting firm, nor any other independent accountant, assumes any responsibility for the HRG Forecasts, and such accounting firms disclaim any association with the HRG Forecasts. The reports of HRG's independent registered public accounting firms incorporated by reference into this joint proxy statement/prospectus relate to HRG's historical financial information, respectively, and no such report extends to the HRG Forecasts or should be read to do so.

The HRG Forecasts were based on numerous variables and assumptions that are inherently uncertain and may be beyond the control of HRG's management. Important factors that may affect actual results and cause the HRG Forecasts to not be achieved include, but are not limited to, risks and uncertainties relating to the businesses (including the ability of the businesses to achieve their strategic goals, objectives and targets over applicable periods), industry performance, the regulatory environment, general business and economic conditions and other factors described under *Risk Factors* and *Cautionary Statement Regarding Forward-Looking Statements*. The HRG Forecasts reflect the following assumptions that are subject to change:

except as noted in the following bullets, the HRG Forecasts incorporate all of the assumptions described in *Spectrum Management's Unaudited Prospective Financial Information* ;

HRG's management assumed that Spectrum's net working capital, excluding Spectrum's GBA Businesses, would increase by an amount equal to 20.5% of the year over year increase in sales;

HRG's management made a fiscal 2018 stub-period adjustment to unlevered free cash flow based on a valuation date of December 31, 2017; and

HRG's management applied a blended tax rate of 24.5% for Spectrum's fiscal year ended December 31, 2018, and 21% thereafter, to estimate Spectrum's cash taxes.

Actual results may differ materially from the HRG Forecasts. Accordingly, there can be no assurance that the HRG Forecasts will be realized.

HRG, and its affiliates, advisors, officers, directors, or other representatives, cannot provide any assurance that actual results will not differ from the HRG Forecasts, and none of them undertakes any obligation to update, or otherwise revise or reconcile, the HRG Forecasts to reflect circumstances existing after the date that the HRG Forecasts were prepared or to reflect the occurrence of future events, even in the event that any or all of the assumptions relating thereto are shown to be in error. Except as required by applicable securities laws, HRG does not intend to make publicly available any update or other revision to the HRG Forecasts, even in the event that any or all assumptions relating thereto are shown to be in error. Since the date of the HRG Forecasts, Spectrum has made publicly available its actual results of operations for the fiscal quarter ended December 31, 2017. You should review Spectrum's Current Report on Form 8-K filed with the SEC on March 30, 2018 and Quarterly Report on Form 10-Q filed with the SEC on February 8, 2018 for this information. None of HRG or its respective affiliates, advisors, officers, directors, or representatives has made or makes any representation to any stockholder or other person regarding Spectrum's ultimate performance compared to the information contained in the HRG Forecasts or that forecasted results will be achieved.

HRG has made no representation to Spectrum or to anyone else, in the Merger Agreement or otherwise, concerning the HRG Forecasts.

The following table presents values in the HRG Forecasts that differ from those used in the Spectrum Forecasts described in *Spectrum Management's Unaudited Prospective Financial Information*.

	2018E	2019E	2020E	2021E
EBITDA	\$ 677	\$ 700	\$ 736	\$ 775
Unlevered Free Cash Flow ⁽¹⁾	\$ 289	\$ 445	\$ 474	\$ 506

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- (1) Unlevered Free Cash Flow was calculated by J.P. Morgan based on the HRG Forecasts for purposes of J.P. Morgan's discounted cash flow analysis in connection with its opinion delivered to the HRG board of directors on February 24, 2018. J.P. Morgan's Unlevered Free Cash Flow calculation was provided to HRG management, which subsequently reviewed and approved such projections.

Board and Management of HRG following the Merger

The following is a description of the board of directors and management of HRG after the Merger. For more information regarding the directors and management of HRG prior to the Merger, please refer to HRG's Annual Report on Form 10-K for the fiscal year ended September 30, 2017, filed with the SEC on November 20, 2017, and Spectrum's Annual Report on Form 10-K for the fiscal year ended September 30, 2017, filed with the SEC on November 16, 2017 and amended on November 17, 2017 and January 23, 2018.

Board of Directors of HRG after the Merger

The directors of HRG following the Merger will, like the directors of Spectrum, be divided into three classes, with the term of the first class expiring at the 2019 annual meeting of stockholders, the term of the second class expiring at the 2020 annual meeting of stockholders and the term of the third class expiring at the 2021 annual meeting of stockholders. For a further description of governance of HRG following the closing of the Merger, see *Comparison of Stockholder Rights*.

Leucadia has the right to designate an independent director to the HRG board of directors, which designee must meet certain independence and other requirements, pursuant to the Merger Agreement and the Post-Closing Stockholder Agreement. The independent director appointed by Leucadia will serve in the longest-serving class of directors of HRG for a single term, and provided Leucadia meets certain share ownership conditions, Leucadia may appoint a replacement independent director if the independent director is unable or unwilling to complete his or her term. For a further description of Leucadia's right to appoint an independent director, see *The Transaction Agreements Description of the Merger Agreement Post-Closing Governance* and *The Transaction Agreements Description of the Post-Closing Stockholder Agreement*.

In connection with the foregoing, as of the date of this joint proxy statement/prospectus, HRG and Spectrum expect that the following persons will be designated as directors of HRG at the Effective Time and each will be a member of the class of the board of directors set forth opposite his or her name:

Kenneth C. Ambrecht (Class II)

Norman S. Matthews (Class I)

David M. Maura (Class III)

Terry L. Polistina (Class III)

Hugh R. Rovit (Class II)

Andreas Rouvé (Class II)

Joseph S. Steinberg (Class I)

Independent designee selected by Leucadia (Class III)

Below is the biographical information for the foregoing persons:

Kenneth C. Ambrecht, age 72, has served as one of Spectrum's directors since June 2010. Prior to that time, he had served as a director of Spectrum Brands, Inc. (SBI) from August 2009 to June 2010. Since December

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2005, Mr. Ambrecht has served as a principal of KCA Associates LLC, through which he provides advice on financial transactions. From July 2004 to December 2005, Mr. Ambrecht served as a Managing Director with the investment banking firm First Albany Capital, Inc. Prior to that, Mr. Ambrecht was a Managing Director with Royal Bank Canada Capital Markets. Prior to that post, Mr. Ambrecht worked with the investment bank Lehman Brothers as Managing Director with its capital markets division. Mr. Ambrecht is also a member of the board of directors of American Financial Group, Inc. During the past five years, Mr. Ambrecht has also served as a director of Dominion Petroleum Ltd. and Fortescue Metals Group Limited. Mr. Ambrecht serves as the Chairman of Spectrum's Compensation Committee and is a member of Spectrum's Audit Committee and Nominating and Corporate Governance Committee. Mr. Ambrecht's experience in banking and capital markets led the Spectrum board of directors to conclude that he should be a member of the board of directors.

Norman S. Matthews, age 85, has served as one of Spectrum's directors since June 2010. Prior to that time, he had served as a director of SBI since August 2009. Mr. Matthews has over three decades of experience as a business leader in marketing and merchandising, and is currently an independent business consultant. As former President of Federated Department Stores, he led the operations of one of the nation's leading department store retailers with over 850 department stores, including those under the names of Bloomingdales, Burdines, Foley's, Lazarus and Rich's, as well as various specialty store chains, discount chains and Ralph's Grocery. In addition to his senior management roles at Federated Department Stores, Mr. Matthews also served as Senior Vice President and General Merchandise Manager at E.J. Korvette and Senior Vice President of Marketing and Corporate Development at Broyhill Furniture Industries. Mr. Matthews is a Princeton University graduate, and earned his Master's degree in Business Administration from Harvard Business School. He also currently serves on the boards of directors at Party City and The Children's Place Retail Stores, Inc., and previously has served as a director of Henry Schein, Inc., Sunoco, The Progressive Corporation, Toys R Us, Duff & Phelps Corporation, and Federated Department Stores. He is also a trustee emeritus at the American Museum of Natural History. Mr. Matthews is the Chairman of Spectrum's Nominating and Corporate Governance Committee and is a member of Spectrum's Compensation Committee. Mr. Matthews' extensive experience with the operations of various notable consumer products retailers led the Spectrum board of directors to conclude that he should be a member of the board of directors.

David M. Maura, age 45, has served as Executive Chairman of Spectrum's board of directors, effective as of January 20, 2016, and following the Effective Time will be the Executive Chairman of the HRG board of directors. Prior to such appointment, Mr. Maura served as Chairman of the Spectrum board of directors since July 2011 and served as interim Chairman of the Spectrum board of directors and as one of Spectrum's directors since June 2010. Mr. Maura was a Managing Director and the Executive Vice President of Investments at HRG from October 2011 until November 2016, and has been a member of HRG's board of directors since May 2011. Mr. Maura previously served as a Vice President and Director of Investments of Harbinger Capital Partners LLC from 2006 until 2012, where he was responsible for investments in consumer products, agriculture and retail sectors. Prior to joining Harbinger Capital in 2006, Mr. Maura was a Managing Director and Senior Research Analyst at First Albany Capital, Inc., where he focused on distressed debt and special situations, primarily in the consumer products and retail sectors. Prior to First Albany, Mr. Maura was a Director and Senior High Yield Research Analyst in Global High Yield Research at Merrill Lynch & Co. Previously, Mr. Maura was a Vice President and Senior Analyst in the High Yield Group at Wachovia Securities, where he covered various consumer product, service, and retail companies. Mr. Maura began his career at ZPR Investment Management as a Financial Analyst. Mr. Maura currently serves (since October 2017) as Chairman, President and Chief Executive Officer of Mosaic Acquisition, a blank check company incorporated as a Cayman Islands exempted company, which was formed by an affiliate of Fortress Parent and Mr. Maura in 2017 as a special purpose acquisition vehicle. He was a member of the HRG board of directors until December 31, 2017. He previously has served on the boards of directors of Ferrous Resources, Ltd., Russell Hobbs, Inc., and Applicia, Inc. Mr. Maura received a B.S. in Business Administration from Stetson University and is a CFA charterholder. Mr. Maura's broad experience in M&A, the consumer products and retail sector, finance and

investments, and his role in Spectrum's strategy and growth since 2010, led the Spectrum board of directors to conclude that he should be a member of the board of directors.

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Terry L. Polistina, age 54, has served as one of Spectrum's directors since June 2010. Prior to that time, he had served as a director of SBI from August 2009 to June 2010. Mr. Polistina served as Spectrum's President, Small Appliances since June 2010 and became President Global Appliances in October 2010 and left Spectrum in September 2013. Prior to that time, Mr. Polistina served as the CEO and President of Russell Hobbs. Mr. Polistina served as Chief Operating Officer at Applica, Inc. in 2006 to 2007 and Chief Financial Officer from 2001 to 2007, at which time Applica, Inc. combined with Russell Hobbs. Mr. Polistina also served as a Senior Vice President of Applica, Inc. since June 1998. Mr. Polistina is also a director of Entic, Inc. Mr. Polistina received an undergraduate degree in finance from the University of Florida and holds a Masters of Business Administration from the University of Miami. Mr. Polistina is the Chairman of Spectrum's Audit Committee and is a member of the Compensation Committee. Mr. Polistina's experience in senior management roles at several global consumer products companies and his financial expertise led the Spectrum board of directors to conclude that he should be a member of the board of directors.

Hugh R. Rovit, age 57, has served as one of Spectrum's directors since June 2010. Prior to that time, he had served as a director of SBI from August 2009 to June 2010. Mr. Rovit is presently Chief Executive Officer of Ellery Homestyles, a leading supplier of branded and private label home fashion products to major retailers, offering curtains, bedding, throws and specialty products. Previously, Mr. Rovit served as Chief Executive Officer of Sure Fit Inc., a marketer and distributor of home furnishing products from 2006 through 2012, and was a Principal at a turnaround management firm Masson & Company from 2001 through 2005. Previously, Mr. Rovit held the positions of Chief Financial Officer of Best Manufacturing, Inc., a manufacturer and distributor of institutional service apparel and textiles, from 1998 through 2001 and Chief Financial Officer of Royce Hosiery Mills, Inc., a manufacturer and distributor of men's and women's hosiery, from 1991 through 1998. Mr. Rovit is a director of Xpress Retail and previously has served as a director of Nellson Nutraceuticals, Inc., Kid Brands Inc., Atkins Nutritional, Inc., Oneida, Ltd., Cosmetic Essence, Inc. and Twin Star International. Mr. Rovit received his Bachelor of Arts degree cum laude from Dartmouth College and has a Masters of Business Administration from the Harvard Business School. Mr. Rovit is a member of Spectrum's Audit Committee. Mr. Rovit's experience with the operations and management of various consumer products companies and his financial expertise led the Spectrum board of directors to conclude that he should be a member of the board of directors.

Andreas Rouvé, age 56, has served as one of Spectrum's directors since October 2015. Mr. Rouvé was appointed Spectrum's Chief Executive Officer, effective April 1, 2015, and he previously held the position of Chief Operating Officer of the Spectrum, effective February 2014, until his appointment as Chief Executive Officer. Mr. Rouvé previously held the position of President of Spectrum's international activities beginning in January 2013. Prior to that post, commencing in 2007, he served as Senior Vice President and Managing Director of Spectrum's European Battery and Personal Care business and subsequently led the integration of the Home Appliances and Pet Supplies European businesses in 2010-2011. Mr. Rouvé joined Spectrum in 2002 as Chief Financial Officer of the European Battery division. Prior to that, he worked 13 years with VARTA AG in a variety of management positions, including Chief Financial Officer of VARTA Portable Batteries from 1999 to 2002, Managing Director Asia from 1997 to 1999, and Director of Finance of 3C Alliance L.L.P., a U.S. joint venture of VARTA, Duracell, and Toshiba, from 1995 to 1997. Mr. Rouvé holds a Master's of Business Administration (Diplom-Kaufmann) from the University of Mannheim (Germany) and a Doctor of Economics and Social Science (Dr. rer. soc. oec.) from the University of Linz (Austria). Mr. Rouvé's extensive experience with Spectrum's global operations since 2002 and his service as Chief Executive Officer led the Spectrum board of directors to conclude that he should be a member of the board of directors.

Joseph S. Steinberg, age 74, has served as one of Spectrum's directors since February 2015. Since December 2014, Mr. Steinberg has served as the Chairman of the HRG board of directors, and since April 2017, he has served as HRG's Chief Executive Officer. Mr. Steinberg is Chairman of the board of directors of Leucadia. He has served as a director of Leucadia since December 1978 and as President from January 1979 until March 2013, when he became the Chairman of the Leucadia board of directors. Mr. Steinberg has served as Chairman of the board of directors of

HomeFed Corporation since 1999 and as a HomeFed director since 1998.

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Mr. Steinberg also serves on the board of directors of Crimson Wine Group, Ltd. Mr. Steinberg has served as a director of Jefferies Group, LLC since April 2008. Mr. Steinberg previously served as a director of Mueller Industries, Inc. from September 2011 to September 2012. Mr. Steinberg's managerial and investing experience in a broad range of businesses led the Spectrum board of directors to conclude that he should be a member of the board of directors.

Officers of HRG after the Merger

At the Effective Time, the officers of Spectrum immediately prior to the Effective Time will become the officers of HRG (or if any such individual is unwilling or unable to so serve as an officer of HRG following the Effective Time, a replacement designated by Spectrum). The executive team of HRG following the Effective Time will be led by David M. Maura (Executive Chairman), Andreas Rouvé (Chief Executive Officer), Douglas L. Martin (Executive Vice President and Chief Financial Officer), Nathan E. Fagre (Senior Vice President, General Counsel and Secretary) and Stacey L. Neu (Senior Vice President of Human Resources).

Biographical information for those executive officers named above and not included under *Board of Directors of HRG after the Merger* is incorporated by reference from Spectrum's Annual Report on Form 10-K for the fiscal year ended September 30, 2017, as amended.

Interests of Spectrum's Directors and Officers in the Merger

In considering the recommendation of the Spectrum board of directors regarding the Spectrum Proposals, Spectrum stockholders should be aware that certain of the directors and executive officers of Spectrum have interests in the Merger that may be different from, or in addition to, the interests of Spectrum's stockholders generally, including, among other matters, as a result of their relationships with HRG or certain of HRG's significant shareholders.

The members of the Spectrum Special Committee and the Spectrum board of directors were aware of these interests and considered them, among other matters, in their authorization, approval and adoption of the Merger Agreement, the Merger and the other transactions contemplated thereby and their recommendation that Spectrum's stockholders vote for the Spectrum Proposals.

These interests are described in more detail below.

Ownership of HRG Common Stock

Messrs. Steinberg, Zargar and Maura beneficially own, as of the close of business on April 4, 2018, 27,068, 198,330, and 2,035,563 shares of HRG Common Stock, respectively, as further described below. See *Share Ownership of Certain Beneficial Owners and Management/Directors of HRG*. Messrs. Ambrecht and Rovit currently own 10,000 and 1,000 shares of HRG Common Stock, respectively.

Roles at HRG After the Merger

The Merger Agreement provides that certain members of the Spectrum board of directors will serve as members of the HRG board of directors following the Merger, including Messrs. Ambrecht, Matthews, Maura (as Executive Chairman), Polistina, Rovit, Rouvé and Steinberg. Mr. Steinberg will be a