

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into as of October 27, 2015, by and among the undersigned parties to the class action pending before the Superior Court of Washington in and for King County (the “Court”), captioned *Stein v. Symetra Financial Corporation, et al.*, No. 15-2-20458-1SEA (the “Action”), by and through their respective counsel. The parties to this Action (the “Parties”) have reached an agreement in principle providing for the settlement of the Action on the terms and subject to the conditions set forth in this MOU. The plaintiff (“Plaintiff”) in this Action, Ms. Shiva Stein, is a stockholder of Symetra Financial Corporation (“Symetra” or the “Company”). The defendants in this Action (“Defendants”) are Symetra; Lowndes A. Smith, Peter S. Burgess, David T. Foy, Lois W. Grady, Sander M. Levy, Robert R. Lusardi, and Thomas M. Marra (collectively the “Individual Defendants”); SLIC Financial Corporation (“SLIC”); and Sumitomo Life Insurance Company (“Sumitomo”). This Action relates to the proposed acquisition of Symetra by Sumitomo.

**WHEREAS**, on August 10, 2015, Symetra’s Board of Directors amended the Company’s bylaws to require that actions involving intracorporate disputes be filed only in Symetra’s state of incorporation, Delaware (although Plaintiff disputes the enforceability of this provision);

**WHEREAS**, on August 11, 2015, Symetra announced that Symetra had entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Sumitomo and SLIC, pursuant to which SLIC, a wholly-owned subsidiary of Sumitomo, will merge with and into Symetra, with Symetra surviving the merger as a wholly-owned subsidiary of Sumitomo (the “Proposed Transaction”);

**WHEREAS**, on August 11, 2015, Symetra filed with the U.S. Securities and Exchange Commission (the “SEC”) a Current Report on Form 8-K containing, among other things, the Merger Agreement;

**WHEREAS**, on August 20, 2015, Plaintiff filed the Action in the Court, on behalf of herself and those similarly situated stockholders of Symetra, against all Defendants, alleging certain breaches of fiduciary duty and aiding and abetting liability in connection with the Proposed Transaction;

**WHEREAS**, on September 1, 2015, Symetra filed with the SEC a Preliminary Proxy Statement on Schedule 14A containing, among other things, the Merger Agreement;

**WHEREAS**, on September 11, 2015, Symetra and the Individual Defendants filed a Motion to Dismiss the Action for improper venue pursuant to Washington Civil Rule 12(b)(3);

**WHEREAS**, on September 30, 2015, Symetra filed with the SEC a Definitive Proxy Statement on Schedule 14A (the "Proxy Statement") which, among other things, announced that a stockholder meeting to vote on the adoption of the Merger Agreement would be held on November 5, 2015;

**WHEREAS**, on October 1, 2015, counsel for Plaintiff conveyed to Defendants a confidential settlement communication, wherein it demanded that Symetra make certain supplemental disclosures in connection with the Proxy Statement;

**WHEREAS**, on October 16, 2015, Plaintiff filed an amended complaint ("Amended Complaint") in the Court, continuing to allege certain breaches of fiduciary duty and aiding and abetting liability in connection with the Proposed Transaction, and adding an additional claim against the Individual Defendants for breach of the fiduciary duty of disclosure;

**WHEREAS**, on October 16, 2015, Plaintiff also filed a Motion for Preliminary Injunction to enjoin the stockholder vote from taking place as scheduled on November 5, 2015;

**WHEREAS**, on October 20, 2015, the Defendants filed a Motion to Dismiss Plaintiff's Amended Complaint for improper venue pursuant to Washington Civil Rule 12(b)(3);

**WHEREAS**, the Parties, through their counsel, have engaged in arm's length negotiations concerning a possible settlement of the Action, and the Parties have reached an agreement to settle the Action as described herein;

**WHEREAS**, Plaintiff and her counsel believe, subject to confirmatory discovery, that a settlement of the Action on the terms reflected in this MOU is fair, reasonable, and adequate and in the best interests of Symetra's stockholders;

**WHEREAS**, Defendants, solely to avoid the costs, disruption and distraction of further litigation, and without admitting the validity of any allegations made in the Action or of any additional purported concerns with respect to the Proposed Transaction and Merger Agreement, or any liability with respect thereto, have concluded that it is desirable that the claims against them be settled on the terms reflected in this MOU;

**WHEREAS**, entry into the MOU by Plaintiff is not an admission as to the lack of merit of any of the claims asserted in the Action, and Plaintiff believes that the subsequent disclosures resulting from the Settlement will help to enable Symetra's stockholders to make a fully informed decision with respect to the Proposed Transaction;

**WHEREAS**, Defendants specifically deny the allegations made in the Action and all other purported concerns expressed with respect to the Proposed Transaction and the Merger Agreement, and Defendants maintain that they have committed no breach of fiduciary duty or other wrongdoing whatsoever, have committed no disclosure or other violations in connection with the Proposed Transaction, Merger Agreement or the filings with the SEC or other public disclosures made or to be made in connection with or regarding the Proposed Transaction, including, but not limited to, the Proxy Statement, and any amendments, supplements, or modifications to any of the foregoing, and have not aided or abetted any breach of fiduciary duty or other alleged wrongdoing;

**WHEREAS**, all Parties recognize the time and expense that would be incurred by further litigation of the Action and the uncertainties inherent in such litigation;

**NOW, THEREFORE**, on October 27, 2015, the Parties reached the following agreement in principle, which, when reduced to a stipulation following negotiations by the Parties in good faith and approval by the Court, is intended to effect a full and final resolution of the Released Claims (as defined in paragraph 9) and the Action (the "Settlement"). The Parties and their respective counsel believe that the Settlement is in the best interest of the Parties and Symetra's stockholders and agree to cooperate fully and to use their reasonable best efforts to effectuate the Settlement, which shall provide for and encompass the following and other terms:

1. **Additional Disclosures**. The Parties agree that Symetra will cause additional disclosures, in the form attached hereto as Exhibit A (the "Additional Disclosures"), to be filed with the SEC in a Current Report on Form 8-K within three (3) business days of the execution of this MOU. Defendants acknowledge that the pendency and prosecution of the Action provided the sole cause of Defendants' decision to make the Additional Disclosures.

2. **Confirmatory Discovery**. Defendants agree to provide Plaintiff with reasonable, mutually agreeable discovery from Symetra solely for the purpose of Plaintiff confirming that the

Settlement is fair, reasonable and adequate. If Plaintiff is unable to confirm and determine in good faith, based upon information obtained through such confirmatory discovery, that the Settlement is fair, reasonable and adequate, Plaintiff's counsel shall notify Defendants in writing within ten (10) business days after the completion of the confirmatory discovery (the "Termination Notice"), and the Settlement and this MOU shall be terminated and rendered null and void.

3. **Withdrawal of Motion for Preliminary Injunction and Motion to Dismiss.** Parties agree that the Plaintiff's Motion for Preliminary Injunction and Defendants' Motion to Dismiss shall be withdrawn forthwith and, except as expressly provided herein, the Parties shall jointly inform the Court that an agreement in principle has been reached to settle the Action and shall request that the Court stay the Action and all proceedings therein pending submission of the proposed Settlement to the Court for its consideration. The Parties shall enter into such documentation as they may agree to be required or advisable to effectuate the foregoing agreements.

4. **Modifications and Amendments to Merger Agreement.** Plaintiff acknowledges that the parties to the Merger Agreement may (but shall not be obligated to) negotiate or agree to amendments or modifications to the Merger Agreement or the Proxy Statement and/or make further disclosures, in addition to and separate from the Additional Disclosures, as may be necessary or required prior to the effective time of the Merger (as that phrase is defined in the Merger Agreement) to facilitate the consummation of the Proposed Transaction. Plaintiff agrees that effective immediately upon the execution of this MOU and until such time as the Settlement receives the "Final Approval" described in paragraph 13 of this MOU, neither Plaintiff nor her counsel will initiate any action involving any Released Claim (as defined in paragraph 9) or otherwise pursue any Released Claim with respect to any such amendments or modifications; nor will Plaintiff otherwise challenge, object to or bring any action related to any such amendments or modifications.

5. **Stipulation of Settlement.** Contingent upon the completion of confirmatory discovery, and unless Plaintiff timely provides Defendants with a Termination Notice, the Parties shall attempt in good faith and use their best efforts to:

- (a) negotiate and execute an appropriate Stipulation of Settlement (the "Stipulation") and such other documentation (the "Settlement Documents") as may be required to obtain the approval of the Court of the Settlement;

- (b) present the Settlement Documents to the Court as soon as practicable following execution of the Stipulation; and
- (c) obtain final approval of the Settlement, including entry of a final order and judgment (a "Final Order and Judgment"), in the Court, (i) approving the Settlement, (ii) dismissing the Action on the merits with prejudice as to all claims asserted or which could have been asserted in the Action and without costs to any Party (other than as expressly provided herein) and (iii) providing for the releases set forth in paragraph 9 of this MOU.

If the Parties are unable to reach agreement with respect to the Stipulation, then any of the Parties to this MOU have the right to enforce the terms of this MOU.

6. **Certification of Class.** The Stipulation shall provide for conditional certification by the Court, pursuant to Rule 23 of the Washington State Court Civil Rules, for settlement purposes only, of the Action as a non-opt out class action on behalf of a class that consists of all record and beneficial owners of common stock of Symetra who owned shares of Symetra common stock at any time during the period beginning on August 11, 2015 through the date of the consummation of the Proposed Transaction (the "Class Period"), including any and all of their respective successors in interest, predecessors, representatives, trustees, executors, administrators, heirs, assigns or transferees, immediate and remote, and any person or entity acting for or on behalf of, or claiming under, any of them, and each of them (collectively, the "Class"). Excluded from the Class are Defendants, members of the immediate family of any Individual Defendant, any entity in which a Defendant has or had a controlling interest and the legal representatives, heirs, successors or assigns of any such excluded person.

7. **Stay Pending Court Approval.** Pending negotiation, execution and final approval in the Court of the Stipulation and Settlement, Plaintiff agrees to stay discovery in the Action and to stay and not to initiate or otherwise pursue any proceedings other than those necessary to obtain final approval of the Settlement and dismissal with prejudice of the underlying Action. For the avoidance of doubt, effective immediately upon the execution of this MOU and until such time as the Settlement receives the Final Approval described in paragraph 13 of this MOU, Plaintiff agrees that she will not initiate any action involving any Released Claim (as defined in paragraph 9), nor will she otherwise pursue any Released Claim (as defined in paragraph 9) in any way. Plaintiff will be barred and estopped from taking any action inconsistent with the foregoing sentence or from seeking to lift any stay of the discovery in the Action for any purpose other than as necessary to obtain final approval of the Settlement and dismissal with prejudice

of the underlying Action. The Parties also agree to use their best efforts to prevent, stay, seek dismissal of or oppose entry of any interim or final relief in favor of any member of the Class in any other litigation against any of the Parties to this MOU that challenges the Settlement or the Proposed Transaction (including the Merger Agreement and any public disclosures, statements or filings made in connection therewith), or otherwise involves a Released Claim (as defined in paragraph 9). If any Released Claims brought against any Released Party (as defined in paragraph 9) are not dismissed with prejudice or stayed in contemplation of the dismissal of the Action, any Released Party may (but is not obligated to) render this MOU null and void.

8. **Injunction Against Further Proceedings.** The Parties shall cooperate in obtaining the dismissal with prejudice or withdrawal with prejudice of any and all actions related to the subject matter of the Action or otherwise involving a Released Claim (as defined in paragraph 9), including where appropriate, joining in any motion to enjoin, motion to dismiss or demurrer to such litigation.

9. **Dismissal with Prejudice, Waiver and General Releases.** The Stipulation shall provide for the entry of judgment by the Court in appropriate form dismissing the Action with prejudice on the merits and for a general release barring, settling, permanently enjoining, discharging and releasing all claims, demands, actions or causes of action, rights, liabilities, damages, losses, obligations, judgments, suits, fees, expenses, costs, matters and issues of any kind or nature whatsoever, whether known or unknown, contingent or absolute, suspected or unsuspected, disclosed or undisclosed, matured or unmatured, accrued or unaccrued, that have been, could have been or in the future can or might be asserted in the Action or in any court, tribunal or proceeding (including, but not limited to, any claims arising under federal, state or foreign statutory or common law relating to alleged fraud, breach of any duty, negligence, violations of the federal securities laws or state disclosure laws or otherwise), by or on behalf of Plaintiff or any member of the Class (whether individual, class, direct, derivative, representative, legal, equitable or any other type in their capacity as stockholders during the Class Period), against any or all of the Released Parties (as defined below), whether or not any such Released Parties were named, served with process, appeared in the Action or are a Party to this MOU, which have arisen, could have arisen, arise now or hereafter arise out of, or relate in any manner to the allegations, facts, events, acquisitions, matters, acts, occurrences, statements, representations, omissions or any other matter, thing or cause whatsoever, or any

series thereof, embraced, involved or set forth in, or referred to or otherwise related, directly or indirectly, in any way to: (a) the matters alleged in any pleadings or briefs filed in the Action; (b) the Merger Agreement and the transactions contemplated thereby, including the Proposed Transaction; (c) the Proxy Statement and any amendments, supplements or modifications thereto, and any other public disclosures made or to be made in connection with or regarding the Proposed Transaction; (d) the fiduciary obligations (including any disclosure obligations) of any of the Defendants or Released Parties in connection with the Merger Agreement, the Proposed Transaction, the Proxy Statement or any amendments, supplements or modifications to any of the foregoing, and any other public disclosures made or to be made in connection with or regarding the Proposed Transaction; (e) the negotiations in connection with the Merger Agreement or the Proposed Transaction; or (f) any and all conduct by any of the Defendants or any of the other Released Parties arising out of or relating in any way to the negotiation or execution of this MOU and any subsequent Stipulation (collectively, the "Released Claims"). The Released Claims shall include any and all claims, by or on behalf of the Plaintiff or any member of the Class in his, her or its capacity as a Symetra stockholder ("Releasing Persons"), under federal and/or state securities laws and/or common law related to the Proxy Statement and any amendments, supplements or modifications thereto, and any other public disclosures, statements or filings made or to be made in connection with the Proposed Transaction, the Merger Agreement or any of the transactions contemplated thereby. The Settlement shall provide for a waiver of any statutory provision or common law doctrine that limits the scope of a general release. The Released Claims shall not include the right of any of the Parties to enforce the terms of the Settlement or Plaintiff's counsel's right to seek an award for attorneys' fees and expenses. As used herein, the term "Released Parties" shall include all Defendants to the Actions, including, for the avoidance of doubt, Symetra, Lowndes A. Smith, Peter S. Burgess, David T. Foy, Lois W. Grady, Sander M. Levy, Robert R. Lusardi, Thomas M. Marra, SLIC and Sumitomo, as well as each of their respective families, parent entities, controlling persons, associates, affiliates, predecessors, successors or subsidiaries, and each and all of their respective past or present officers, directors, shareholders, stockholders, members, principals, managers, representatives, employees, attorneys, insurers, financial or investment advisors, consultants, accountants, investment bankers (including Morgan Stanley and any other entity providing a fairness opinion relating to the Proposed Transaction), agents, general or limited partners or partnerships, limited

liability companies, heirs, executors, trustees, personal or legal representatives, estates, administrators, predecessors, successors and assigns, whether or not any such Released Parties were named, served with process or appeared in the Action or is a Party to the MOU. The Stipulation will include a provision that, upon final approval of the Settlement, Defendants and the Released Persons shall be deemed to have, and by operation of the judgment shall have, fully, finally and forever released, relinquished and discharged Plaintiff, each and all of the members of the Class, and Plaintiff's counsel, from all claims, sanctions, actions, liabilities or damages (including unknown claims) arising out of, relating to or in connection with the investigation, institution, prosecution, assertion, settlement or resolution of the Action or the Released Claims, except that Defendants shall each retain the right to enforce the terms of the Settlement.

10. **Denial of Liability.** The Stipulation shall provide that Defendants have denied and continue to deny the allegations made in the Action and any wrongdoing or liability whatsoever with respect thereto, and that they have maintained and continue to maintain that they have committed no breach of fiduciary duty or other wrongdoing whatsoever, and have committed no disclosure violations or other violations, in connection with the Proposed Transaction, the Merger Agreement, the Proxy Statement or any amendments, supplements or modifications to any of the foregoing, and any other public disclosures made or to be made in connection with or regarding the Proposed Transaction, and have not aided or abetted any breach of fiduciary duty or other alleged wrongdoing. Nothing in this MOU or in the Stipulation shall be interpreted so as to waive, forfeit or otherwise estop Defendants from pursuing or continuing to pursue any position with respect to jurisdiction, venue, discovery, the propriety of expedited proceedings or discovery, class certification or the availability or propriety of injunctive relief, in this Action or any other litigation concerning the Proposed Transaction. For the avoidance of doubt, Defendants' position continues to be that all challenges to the Proposed Transaction belong in Delaware; that all challenges to the Proposed Transaction brought in any court are meritless in all respects and should be dismissed; and that accordingly no injunctive relief, expedited proceedings or discovery are warranted.

11. **Class Notice.** The Stipulation shall include an agreement by the Parties as to the form, content and manner of notice of settlement to be provided to members of the Class, subject to the Court's approval (when approved by the Court, the "Class Notice"). Symetra shall be responsible for providing the Class Notice to the members of the Class. Symetra (or its or the Symetra Board's insurer(s) or Symetra's

successor-in-interest) shall pay, on behalf of and for the benefit of all Defendants, any and all reasonable costs and expenses incurred in providing the Class Notice to the members of the Class.

12. **Fees and Expenses.** The Parties did not engage in any discussion regarding fees and expenses to be awarded to Plaintiff's counsel, subject to Court approval, until after the Parties had agreed to the other terms of this MOU. After such agreement, the Parties agreed that subject to the terms and conditions of this MOU, the terms and conditions of the Stipulation contemplated hereby, and consummation of the Proposed Transaction, and subject to further approval of the Settlement and such fees and expenses by the Court, Symetra (or its or the Individual Defendants' insurer(s) or Symetra's successor-in-interest) will, on behalf of itself and for the benefit of the other Defendants in the Action, and subject to the Court's approval, pay or cause to be paid to Plaintiff's counsel an amount, as approved by the Court, not to exceed \$275,000 for their fees plus up to \$15,000 in reimbursement for their expenses (the "Fees and Expenses"). The Parties agree that Symetra (or its or the Individual Defendants' insurer(s) or Symetra's successor-in-interest) shall not, under any circumstances, be required to pay or cause to be paid fees and expenses in an amount higher than \$275,000 for Plaintiff's Counsel's fees and up to \$15,000 in reimbursement for Plaintiff's Counsel's expenses and that if the Court awards an amount of fees and expenses that is less than the agreed-upon amount, Plaintiff and Plaintiff's counsel will accept the reduced amount. Any decision by the Court not to approve (or to reduce) the agreed-upon amount of attorneys' fees and expenses shall not affect the validity of the Settlement. Symetra (or its or the Individual Defendants' insurer(s) or Symetra's successor-in-interest) shall pay or cause to be paid the Fees and Expenses within ten (10) business days of the entry of an order by the Court finally approving the Settlement on the terms contained in the Stipulation and the amount of such fees and expenses, even though such order may be subject to appeal, and dismissing the Action on the merits with prejudice. In the event that the Court's order approving the amount of Fees and Expenses is reversed or modified on appeal, Plaintiff's counsel shall refund to Symetra (or its or Individual Defendants' insurer(s) or successor-in-interest) the Fees and Expenses (or portion thereof) consistent with such reversal or modification. Neither Symetra (nor its or the Individual Defendants' insurer(s) or successor-in-interest) nor any of the Defendants shall have any obligation to pay any of the Fees and Expenses pursuant to the Settlement unless the Proposed Transaction shall have been consummated. Except as expressly provided herein, none of the Released Parties (or their

insurer(s)) shall bear any other expenses, costs, damages or fees alleged, incurred or alleged to have been incurred by the named Plaintiff, any member of the Class, or any of their respective attorneys, agents, experts, advisors or representatives.

13. **Final Approval.** The Settlement is conditioned upon (a) the Court's final approval, including entry of a Final Order and Judgment approving the Settlement, dismissing the Action with prejudice as to all claims asserted or which could have been asserted in the Action, and without costs to any Party (other than as expressly provided herein), and providing for the releases set forth in paragraph 9 of this MOU, which Final Order and Judgment is final and no longer subject to further appeal or review, provided, however, that the Court's final approval of the Settlement is not contingent on its approval of the Fees and Expenses referred to in paragraph 12 of this MOU.

14. **Governing Law and Jurisdiction.** This MOU and the Settlement shall be governed by and construed in accordance with the laws of Delaware, without regard to conflict of law principles. The Parties agree that any dispute arising out of or relating in any way to this MOU, the Stipulation or the Settlement Documents shall not be litigated or otherwise pursued in any forum or venue other than before this Court.

15. **Binding Effect.** This MOU shall be binding upon and inure to the benefit of the Parties and their respective agents, executors, heirs, successors and assigns.

16. **Conditions.** This MOU shall be rendered null and void and of no force and effect, unless otherwise agreed by the Parties in writing, in the event that (a) the Court fails to enter a Final Order and Judgment finally approving the Settlement, as set forth in paragraph 13 hereof, and providing for the releases, as set forth in paragraph 9 hereof; (b) Symetra or any of the other parties to the Merger Agreement terminate the Merger Agreement, or the Proposed Transaction is not consummated for any reason; or (c) the Court declines to conditionally certify the settlement Class as requested in the Stipulation. In such an event, or in the event any Party withdraws from the Settlement in accordance with the terms of this MOU, the Parties shall be deemed to be in the position they were in immediately prior to the execution of this MOU, and the statements made herein shall not be deemed to prejudice in any way the positions of the Parties with respect to the Action, or to constitute an admission of fact or wrongdoing by any Party, and shall not entitle any Party to recover any costs or expenses incurred in connection with the implementation

of paragraph 11 of this MOU. In such event, and consistent with applicable evidentiary rules, neither the existence of this MOU nor its contents shall be admissible in evidence or shall be referred to for any purpose in the Action or in any other proceeding. Without limiting the foregoing, if the Settlement does not become final for any reason, Defendants reserve the right to oppose certification of any class, and to make any and all other arguments, motions, petitions and requests, in any future proceedings.

17. **Execution.** This MOU will be executed by counsel for the Parties to the Action, each of whom represents and warrants that they have the authority from their client(s) to enter into this MOU and bind their clients thereto. Plaintiff represents and warrants that she has been a stockholder of Symetra at all relevant times, that, as of the date hereof, she continues to hold stock in Symetra and, if requested by any Defendant, shall provide written proof thereof before execution of the Stipulation and that none of Plaintiff's claims or causes of action referred to in the Action or this MOU have been assigned, encumbered or in any manner transferred in whole or in part. This MOU may be executed in any number of actual, telecopied or electronically distributed counterparts (including by way of conformed or electronic signatures in accordance with applicable Court rules and procedures) and by each of the different Parties on several counterparts, each of which when so executed and delivered will be an original. The executed signature page(s) from each actual, telecopied or electronically distributed counterpart may be joined together and attached and will constitute one and the same instrument.

18. **Modifications.** This MOU may be modified or amended only by a writing executed by the Parties hereto (or on their behalf by counsel).

19. **Court Copy.** Within one business day of the execution of this MOU, Plaintiff's counsel shall provide a copy of this MOU to the Court.

October 27, 2015

**[Signature Pages Follow]**

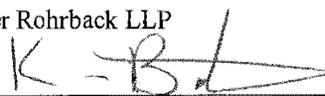
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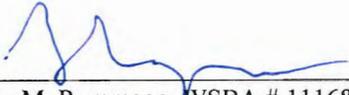
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**EXHIBIT A**

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report (Date of Earliest Event Reported):**

**October 28, 2015**

**Symetra Financial Corporation**

**(Exact name of registrant as specified in its charter)**

<b>Delaware</b> <hr/> <b>(State or other jurisdiction of incorporation)</b>	<b>001-33808</b> <hr/> <b>(Commission File Number)</b>	<b>20-0978027</b> <hr/> <b>(I.R.S. Employer Identification No.)</b>
<b>777 108th Avenue NE, Suite 1200, Bellevue, Washington</b> <hr/> <b>(Address of principal executive offices)</b>		<b>98004</b> <hr/> <b>(Zip Code)</b>

**Registrant's telephone number, including area code:**

**(425) 256-8000**

**Not Applicable**

**Former name or former address, if changed since last**

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

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

## Item 8.01—Other Events.

### Introduction

As previously announced, on August 11, 2015, Symetra Financial Corporation, a Delaware corporation (the “Company”), entered into an Agreement and Plan of Merger (the “merger agreement”) among the Company, Sumitomo Life Insurance Company, a mutual company (sougo kaisha) organized under the laws of Japan (“Sumitomo”), and SLIC Financial Corporation, a Delaware corporation and wholly-owned subsidiary of Sumitomo (“Merger Sub” and, together with Sumitomo, the “Sumitomo Parties”), pursuant to which Merger Sub will merge with and into the Company, with the Company continuing as the surviving corporation and a wholly-owned subsidiary of Sumitomo (the “merger”). On September 30, 2015, the Company filed a definitive proxy statement (the “definitive proxy statement”) in connection with the merger, which the Company mailed to its stockholders on or about October 2, 2015. The Company is making this filing in connection with its entrance into a memorandum of understanding (the “MOU”) regarding the settlement of certain litigation arising out of the announcement of the Company’s entrance into the merger agreement.

As disclosed on page 66 of the definitive proxy statement, on August 20, 2015, a purported stockholder of the Company (“Plaintiff”) filed a class action complaint (the “Complaint”) against the Company, each of the members of the board of directors of the Company (the “Board”) and each of the Sumitomo Parties (together, the “Defendants”) in the Superior Court of Washington, King County (the “Washington Court”), purportedly on behalf of certain stockholders of the Company. The Complaint alleges that the members of the Board breached their fiduciary duties in connection with their approval of the merger agreement. It further challenges the decision of the Board to adopt a forum selection bylaw designating the state and federal courts in the State of Delaware for the resolution of intracorporate disputes. Finally, the Complaint alleges that the Sumitomo Parties aided and abetted the alleged breaches of fiduciary duties. Plaintiff asks the Washington Court to (i) declare that the lawsuit can be maintained as a class action, (ii) declare that the merger is unfair, unjust and inequitable to Plaintiff and the other members of Plaintiff’s class, (iii) enjoin the Defendants from taking any steps necessary to accomplish the merger at an inequitable and unfair price, (iv) in the event that the merger occurs, rescind the merger or award rescissory damages, (v) direct the Defendants to account for the damages sustained, (vi) award Plaintiff costs and fees relating to the lawsuit and (vii) grant such other and further relief as the Washington Court may deem just and proper. On October 16, 2015, Plaintiff filed an amended complaint, which added a claim to the Complaint that the members of the Board of Directors breached their fiduciary duty of disclosure by filing a materially deficient preliminary proxy statement and added an additional request of relief to enjoin the Defendants from soliciting stockholder votes on the merger until such alleged material deficiencies are remedied, and a motion for preliminary injunction, which sought to enjoin the Special Meeting of Stockholders from taking place. The Company and the Board believe these claims are without merit and have been filed in an improper forum, in violation of the Company’s forum selection bylaw.

On October 28, 2015, counsel for the Company, the Board and the Sumitomo Parties entered into the MOU with counsel for Plaintiff, pursuant to which the Company has agreed to make the disclosures concerning the merger set forth below. In accordance with the terms of the MOU, the Plaintiff has agreed to stay the proceeding in the Washington Court and to withdraw its request for a preliminary injunction. In addition, the MOU contemplates that, subject to the completion of confirmatory discovery by Plaintiff’s counsel, the parties will enter into a stipulation of settlement. The stipulation of settlement contemplated by the parties will be subject to customary conditions, including court approval following notice to the Company’s stockholders. In the event that the parties enter into a stipulation of settlement, a hearing will be scheduled at which the Washington Court will consider the fairness, reasonableness and adequacy of the settlement. If the settlement is finally approved by the Washington Court, it will resolve and release all claims that were or could have been brought in any actions challenging any aspect of the merger, the merger agreement and any disclosure made in connection therewith, pursuant to terms that will be disclosed to the Company’s stockholders prior to the Washington Court’s final approval of the settlement. In connection with the settlement, subject to the ultimate determination of the Washington Court, Plaintiff’s counsel may receive an award of fees in an amount not to exceed \$275,000 and be reimbursed for expenses of up to \$15,000. This payment will not affect the amount of the consideration to be received by any Company stockholder in the merger. There can be no assurance that the parties will ultimately enter into a stipulation of settlement, or that the Washington Court will approve the settlement even if the parties were to enter into such stipulation. The MOU may be rendered null and void, if, among other reasons, (i) the Washington Court fails to enter a final order and

judgment approving the settlement, or (ii) the merger agreement is terminated by the parties thereto or the merger is not consummated for any reason.

The Defendants each have denied, and continue to deny, all of the allegations of wrongful or actionable conduct asserted in the Complaint, and the Board vigorously maintains that it diligently and scrupulously complied with its fiduciary duties, that the definitive proxy statement is complete and accurate in all material respects and that no further disclosure is required under applicable law. The Defendants are entering into the MOU and the contemplated settlement solely to eliminate the cost, burden, distraction and expense of having to defend this litigation further. Nothing in the MOU, any settlement agreement or any public filing, including this Current Report on Form 8-K, is or shall be deemed to be an admission of the legal necessity of filing or the materiality under any applicable law of any of the additional information contained herein or in any public filing associated with the proposed settlement of the Complaint.

### **Supplemental Disclosures**

Solely in connection with the contemplated settlement, the Company has agreed to make the following supplemental disclosures to the definitive proxy statement. The following information should be read in conjunction with the definitive proxy statement, which should be read in its entirety. All page references in the information below are to pages in the definitive proxy statement, and all capitalized terms used below shall have the meanings set forth in the definitive proxy statement.

#### **(1) Supplement to “The Merger—Background of the Merger”**

*The following disclosure supplements and is to be inserted after the first sentence of the eighth paragraph under the heading “Background of the Merger” on page 29 of the definitive proxy statement.*

The confidentiality agreement with Party A does not contain “don’t ask don’t waive” standstill provisions that would prevent Party A from making a superior proposal to the Board.

*The following disclosure supplements and is to be inserted after the first sentence of the ninth paragraph under the heading “Background of the Merger” on page 29 of the definitive proxy statement.*

The confidentiality agreement with Party B does not contain “don’t ask don’t waive” standstill provisions that would prevent Party B from making a superior proposal to the Board.

*The following disclosure supplements and is to be inserted after the last sentence of the twelfth paragraph under the heading “Background of the Merger” on page 30 of the definitive proxy statement.*

Party A is permitted to make a private offer to the Board. Pursuant to the terms of the standstill restrictions contained in its confidentiality agreement, Party A may not, unless requested in writing by the Board, (a) acquire, publicly offer or propose or seek to acquire, Common Stock (other than ordinary course investments not to exceed 5% of the outstanding Common Stock) or any assets or property of Symetra, (b) make, encourage or participate in any solicitation of proxies, (c) demand a copy of Symetra’s stock ledger list or other of Symetra’s books and records, (d) make any public announcement or proposal regarding a merger or other extraordinary transaction involving Symetra, (e) otherwise seek to control or influence the management, Board or policies of Symetra, (f) make any public proposal or statement of inquiry in violation of the foregoing, (g) advise, assist or encourage or direct any person to do any of the foregoing, (h) take any action that would reasonably be expected to require Symetra to make a public announcement regarding the possibility of a transaction involving Symetra or (i) enter into any discussions, negotiations, arrangements or understandings with any unaffiliated party with respect to the securities of Symetra or any of the foregoing.

#### **(2) Supplement to “Opinion of Morgan Stanley & Co. LLC—Financial Analysis”**

*The following disclosure supplements and is to be inserted after the first sentence of the first paragraph under the heading “Comparable Company Analysis” on page 44 of the definitive proxy statement.*

Morgan Stanley selected comparable companies that are similar publicly-traded U.S.-based life insurance companies, based on Morgan Stanley's professional judgment and experience.

*The following disclosure supplements and is to be inserted after the first sentence of the first paragraph under the heading "Precedent Transactions Analysis" on page 46 of the definitive proxy statement.*

The precedent transactions were selected from acquisitions of U.S.-based life insurance companies by strategic buyers, based on Morgan Stanley's professional judgment and experience.

*The following disclosure supplements and is to be inserted after the second sentence of the first paragraph under the heading "Precedent Transactions Analysis" on page 46 of the definitive proxy statement.*

The length of time between certain of the precedent transactions is primarily due to the relative sparsity of transactions meeting the precedent transactions criteria.

*The following disclosure replaces the last sentence of the first paragraph, the table and the entire second paragraph under the heading "Precedent Transactions Analysis" on pages 46-47 of the definitive proxy statement.*

For each transaction listed below, Morgan Stanley calculated the (i) ratio of stock price to estimated Adjusted Operating EPS based on the per share consideration paid in the transaction and the target company's estimated Adjusted Operating EPS for the calendar year in which each transaction was announced, or Forward P/E Ratio, and (ii) P/BV Ratio, based on the per share consideration paid in the transaction and the target company's most recently reported adjusted book value per share prior to the announcement of the transaction. The transactions reviewed, the month and year each transaction was announced, the Forward P/E Ratios and the P/BV Ratios were as follows:

<u>Date Announced</u>	<u>Target</u>	<u>Acquiror</u>	<u>Forward P/E Ratio</u>	<u>P/BV Ratio</u>
July 2015	StanCorp Financial Group, Inc.	Meiji Yasuda Life Insurance Company	20.7x	2.24x
June 2014	Protective Life Corporation	The Dai-ichi Life Insurance Company	14.4x	1.68x
March 2014	Wilton Re Holdings Limited	Canada Pension Plan Investment Board	10.2x <sup>(1)</sup>	1.31x
July 2006	AmerUs Group Co.	Aviva plc	13.7x	1.74x
October 2005	Jefferson-Pilot Corporation	Lincoln National Corporation	13.5x	2.24x
January 2005	Travelers Life & Annuity	MetLife, Inc.	11.0x <sup>(2)</sup>	1.54x <sup>(2)</sup>
September 2003	John Hancock Financial Services, Inc.	Manulife Financial Corporation	12.1x	1.67x

- (1) The stated purchase price of \$1.8 billion reflects accrued earnings through an eight month closing period. The assumed 2014 return on equity for the target of 12% (or \$165 million of adjusted operating earnings) implies an adjusted purchase price (based on the target's December 31, 2013 balance sheet) of \$1.7 billion. The Forward P/E Ratio reflects the same assumption of a 2014 return on equity for the target of 12% (or \$165 million of adjusted operating earnings).
- (2) The stated purchase price of \$11.5 billion was adjusted for the estimated \$1.0 billion value of the acquirer's Section 338(h)(10) election and a pro forma debt to total capital leverage of 25% on \$7.5 billion of adjusted shareholder's equity (excluding accumulated other comprehensive income). The normalized unlevered 2004 earnings were adjusted using an assumed 5% pre-tax cost of debt and an assumed operating income growth rate.

## **Additional Information and Where to Find It**

This communication may be deemed to be solicitation material in respect of the proposed acquisition of the Company by Sumitomo. In connection with the proposed acquisition, the Company filed a definitive proxy statement with the United States Securities and Exchange Commission (the "SEC") on September 30, 2015, and intends to file other relevant materials with the SEC. The definitive proxy statement was mailed to stockholders of the Company on or about October 2, 2015. Stockholders of the Company are urged to read the definitive proxy statement and all other relevant documents filed or to be filed with the SEC carefully and in their entirety because they contain or will contain important information about the proposed transaction, the parties to the proposed transaction and other related matters. Investors and security holders are able to obtain the documents (once available) free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov), or free of charge from the Company at [investors.symetra.com](http://investors.symetra.com) or by directing a request to the Company at [karin.vanvleet@symetra.com](mailto:karin.vanvleet@symetra.com).

## **Participants in the Solicitation**

The Company and its directors, executive officers and other members of management and employees, under SEC rules, may be deemed to be "participants" in the solicitation of proxies from stockholders of the Company in favor of the proposed transaction that is described in the definitive proxy statement. Information about the Company's directors and executive officers is set forth in the Company's Proxy Statement on Schedule 14A for its 2015 Annual Meeting of Stockholders, which was filed with the SEC on March 25, 2015, and its Annual Report on Form 10-K for the fiscal year ended December 31, 2014, which was filed with the SEC on February 26, 2015 and amended on April 22, 2015. Information concerning the interests of the Company's participants in the solicitation, which may, in some cases, be different than those of the Company's stockholders generally, is set forth in the definitive proxy statement relating to the proposed transaction that the Company filed with the SEC on September 30, 2015 and other materials filed by the Company with the SEC.

## **Cautionary Statement Regarding Forward-Looking Statements**

Statements in this communication regarding the proposed transaction, the expected timetable for completing the proposed transaction, future financial and operating results, future capital structure and liquidity, benefits and synergies of the proposed transaction, future opportunities for the combined company, general business outlook and any other statements about the future expectations, beliefs, goals, plans or prospects of the board or management of the Company constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that are not statements of historical fact (including statements containing the words "expects," "intends," "anticipates," "estimates," "predicts," "believes," "should," "potential," "may," "forecast," "objective," "plan," or "targets," and other similar expressions) are intended to identify forward-looking statements. There are a number of factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements, including: the ability to consummate the proposed transaction; the ability to obtain requisite regulatory approvals, the ability to obtain the Company's stockholder approval and the satisfaction of the other conditions to the consummation of the proposed transaction; the potential impact of the announcement or consummation of the proposed transaction on relationships, including with employees, suppliers and customers, and any related impact on integration and anticipated synergies; and the other factors and financial, operational and legal risks or uncertainties described in the Company's public filings with the SEC, including the "Risk Factors" and "Forward-Looking Statements" sections of the Company's Annual Report on Form 10-K for the year ended December 31, 2014 and subsequent Quarterly Reports on Form 10-Q. The Company disclaims any intention or obligation to update or revise any forward-looking statements as a result of developments occurring after the date of this document except as required by law.

**SIGNATURE**

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

**SYMETRA FINANCIAL CORPORATION**

By: /s/ David S. Goldstein  
Name: David S. Goldstein  
Title: Senior Vice President,  
General Counsel and Secretary

Date: October 28, 2015