

**LIDDLE & ROBINSON, L.L.P.**

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*Counsel for Claimant Daniel Brereton*

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re

MF GLOBAL HOLDINGS LTD., *et al.*

Debtors.

Chapter 11

Case No. 11-15059 (MG)

(Jointly Administered)

**DANIEL BRERETON'S RESPONSE IN OPPOSITION TO  
THE PLAN ADMINISTRATOR'S FORTY-SEVENTH OMNIBUS OBJECTION  
SEEKING TO, IN PART, (1) SUBORDINATE AND RECLASSIFY AND  
(2) DISALLOW CERTAIN NON-DEBTOR EMPLOYEE CLAIMS**

Daniel Brereton ("Mr. Brereton"), by and through his undersigned counsel, hereby respectfully submits this response in opposition to the Forty-Seventh Omnibus Objection seeking to, in part, (1) subordinate and reclassify and (2) disallow certain non-debtor employee claims (the "Claim Objection"), filed by MF Global Holdings Ltd., the Plan Administrator under the Second Amended and Restated Joint Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code (the "Second Amended and Restated Plan"), for MF Global Holdings Ltd., MF Global Finance USA Inc., MF Global Capital LLC, MF Global FX Clear LLC, MF Global Market Services LLC, and MF Global Holdings USA Inc. (collectively, the "Debtors"), in the above-referenced Chapter 11 actions.

In support of this response, Mr. Brereton respectfully states as follows:

### Facts

1. Mr. Brereton entered into an employment agreement on June 8, 2011. The MF Global entity identified in the employment agreement was MF Global Holdings USA, Inc. A copy of Mr. Brereton's employment agreement is annexed hereto as Exhibit A.
2. Pursuant to the employment agreement, on or about June 20, 2011, Mr. Brereton commenced employment as a Senior Vice President and Co-Head of Credit Trading.
3. Under the employment agreement, Mr. Brereton was entitled to the following compensation: a base salary paid at the rate of \$250,000 per annum, sign-on bonus compensation amounts of \$200,000 (first sign-on bonus, paid in cash) and \$500,000 (second sign-on bonus, paid in cash or Restricted Share Units (RSUs) under the MF Global Long-Term Incentive Plan (LTIP)), guaranteed incentive award compensation of \$250,000, and employee benefits. A copy of the MF Global LTIP Restricted Share Unit Award Agreement is annexed hereto as Exhibit B.
4. Beginning on October 31, 2011 (the "Petition Date"), the Debtors initiated voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.
5. Mr. Brereton's employment was terminated on or about November 11, 2011.
6. On August 20, 2012 (stamped received August 21, 2012), Mr. Brereton filed a timely proof of claim in the amount of \$899,833.24 against Debtor MF Global Holdings USA, Inc., based on the outstanding amounts he was due under his employment agreement: \$145,833.24 in base salary for the remaining period on his employment agreement (for the pay period ending November 30, 2011 through the pay period ending June 15, 2012); his second contractual sign-on bonus compensation amount of \$500,000; his guaranteed incentive award compensation of \$250,000; and \$4,000 in unreimbursed employee expenses (submitted internally as of early November 2011).

7. On April 11, 2014, the Debtors filed the Claim Objection. In the Claim Objection, Debtors do not seek to disallow the portion of Mr. Brereton's claim based on the second contractual sign-on bonus amount due in cash or LTIP stock. Instead, Debtors argue that such compensation is an equity interest subject to subordination and therefore should be reclassified. This is nothing more than a sleight of hand to deprive Mr. Brereton of his contractually owed compensation.

### **Argument**

8. While Debtors concede that Mr. Brereton has a right to his second contractual sign-on bonus compensation amount due in cash or LTIP RSUs, reclassifying Mr. Brereton's entitlement as an equity interest will have the effect of depriving Mr. Brereton of any portion of his compensation because, realistically, there will be no funds available in the Debtors' estate once their creditors have been paid. Knowing that there is no legal basis to argue that Mr. Brereton is not entitled to his earned, contractual compensation, Debtors have resorted to a procedural runaround to avoid their obligation to pay Mr. Brereton.

9. An RSU grant cannot constitute an equity interest under 11 U.S.C. § 101(16), because the convertible nature of these instruments pulls them outside the definition of an "equity security," as set forth in subsection C.

10. In order for Mr. Brereton's sign-on bonus compensation amount, which was due in cash or LTIP RSUs, to be subordinated under section 510(b) of the Bankruptcy Code, Mr. Brereton must have purchased a "security" and his claims must arise from that purchase. Section 101(49)(A) of the Bankruptcy Code defines a "security" to include a list of items, but does not refer to instruments comparable to RSUs.

11. In relying on In re Touch America Holdings, Inc., 381 B.R. 95 (Bankr. D.Del. 2008), and In re Enron Corp., 341 B.R. 141 (Bankr. S.D.N.Y. 2006), Debtors have failed to distinguish the facts at hand as they relate to Mr. Brereton's claim; neither case involves any discussion concerning RSUs. Significantly, the Court in Enron was determining whether vested stock options, and not a fixed contractual compensation amount, could be subordinated in a bankruptcy proceeding under Section 510 of the Bankruptcy Code. In fact, the Court went so far as to state that "its conclusions apply only to stock options similar to those presented here. The Court issues no opinion as to whether stock options might be designed in such fashion that would result in different treatment under section 510(b)." Enron, 341 B.R. at 144 n. 3. Stock options paid as deferred compensation are markedly different from other forms of compensation. Stock options, being nothing more than a right to purchase shares of stock on a future date and at a pre-determined price, function primarily to allow employees to participate in and benefit from the future success of their employer. Id. at 145.

12. The method of providing Mr. Brereton with sign-on bonus compensation, to be paid in the form of cash or LTIP RSUs, had nothing to do with providing Mr. Brereton the opportunity to participate in the future in profit-sharing based on the Debtors' success. Instead, if paid in LTIP RSUs, it was structured to pressure Mr. Brereton to remain in his employment in order to receive what he was already owed. This only benefited the Debtors, not Mr. Brereton.

13. Additionally, these RSUs did not provide Mr. Brereton with the rights typically associated with owners of equity interests. Debtors made clear in the LTIP Restricted Share Unit Award Agreement that "in lieu of all or any portion of the RSU Shares otherwise deliverable ... the Company may deliver cash...." (See Exhibit B at Section 4(b)) Having stripped away Mr. Brereton's rights as an equity holder under the RSU compensation plan, Debtors now seek to

utilize equity holder status to strip away his rights to his contractual compensation and put him on par with shareholders.

14. From the beginning, Debtors have structured the RSU compensation scheme for their own benefit at the cost of their employees. Now in bankruptcy, Debtors once again seek to gain at the expense of their employees. Having never given Mr. Brereton the status of an equity holder when they granted him contractual sign-on compensation, which the employment agreement and LTIP documents state could be paid in the form of cash or RSUs, Debtors cannot now attempt to label Mr. Brereton as an equity holder to avoid their obligation to pay him the amount he was promised and continues to be owed.

#### **Reservation of Rights**

15. Mr. Brereton specifically reserves his right to raise all arguments at the hearing on the Claim Objection and to support such arguments with all appropriate evidence. Mr. Brereton also reserves the right to supplement this response upon the conclusion of discovery on this matter.

WHEREFORE, Mr. Brereton respectfully requests entry of an Order:

(A) Denying the Claim Objection with respect to Mr. Brereton's claim; and

(B) Granting such other and further relief as is just and appropriate under the  
circumstances.

Dated: May 15, 2014  
New York, New York

/s/ Sherry M. Shore  
**LIDDLE & ROBINSON, L.L.P.**  
Jeffrey L. Liddle  
Sherry M. Shore  
800 Third Avenue  
New York, New York 10022  
Tel: (212) 687-8500  
Fax: (212) 687-1505

*Counsel for Claimant Daniel Brereton*

**CERTIFICATE OF SERVICE**

I, Sherry M. Shore, hereby certify that on this 15th day of May, 2014, the foregoing *DANIEL BRERETON'S RESPONSE IN OPPOSITION TO THE PLAN ADMINISTRATOR'S FORTY-SEVENTH OMNIBUS OBJECTION SEEKING TO, IN PART, (1) SUBORDINATE AND RECLASSIFY AND (2) DISALLOW CERTAIN NON-DEBTOR EMPLOYEE CLAIMS* was served by hand and through the Court's ECF system, if applicable, to the following:

Counsel for the Plan Administrator  
Morrison & Foerster LLP  
250 West 55<sup>th</sup> Street  
New York, New York 10019  
Attn: Brett H. Miller, Esq.  
Melissa A. Hager, Esq.  
Craig A. Damast, Esq.

Office of the United States Trustee  
for the Southern District of New York  
201 Varick Street  
Suite 1006  
New York, New York 10014  
Attn: Brian S. Masumoto, Esq.

Dated: May 15, 2014  
New York, New York

/s/ Sherry M. Shore  
Sherry M. Shore



June 8, 2011

Mr. Daniel Brereton  
170 East 77<sup>th</sup> Street, # 2FG  
New York, NY 10075

Dear Mr. Brereton:

Welcome to MF Global. We are very pleased that you will be joining the Firm as a Senior Vice President (or equivalent), Co-Head of Credit Trading, initially reporting to the Global Head of Trading. You will be employed by MF Global Holdings USA, Inc. (the "Firm"). Your first day of employment will be June 20, 2011 or as soon as any contractual obligations to any current employer restricting your employment have expired.

**Base Salary**

Your position is exempt from federal and state overtime requirements. You will receive an annual salary of \$250,000 that will be paid in semi-monthly payments on the 15<sup>th</sup> and 30<sup>th</sup> of each month (currently \$10,416.66 semi-monthly), less applicable deductions and withholdings.

**Sign-on Bonus**

You will be advanced a cash sign-on bonus of \$200,000 after the first thirty (30) days of your employment. If you leave the firm voluntarily within the first twenty-four (24) months of employment, you will be required to return a pro-rata portion of the sign-on bonus based on months of service completed.

You will also receive a sign-on award of \$500,000 under the Firm's Long Term Incentive Plan. This award is subject to Compensation Committee approval and will be granted on the first available quarterly grant date following your Start Date. In the event that the Compensation Committee does not approve the recommendation of the Sign-On LTIP Award you shall receive a one-time lump sum payment in the amount of \$500,000 within 120 days after your Commencement Date.

**Annual Incentive Opportunity**

You will be eligible for an annual discretionary incentive award. Incentive awards will be made in the sole discretion of the Firm and take into account a variety of factors, including but not limited to the performance of the Firm, your particular business area, and your individual performance and contributions. There may be legal or regulatory restrictions, guidelines, directives, or practices that may affect any incentive award. Cash portions of incentive awards are generally paid in June, following the end of the Firm's fiscal year (March 31), and you must be employed and not have provided notice of termination on the date the incentive award is paid to receive any payment.

For Fiscal Year 2012 (April 1, 2011 – March 31, 2012), your guaranteed incentive opportunity will be \$250,000 ("Fiscal Year 2012 Guarantee"). In the event you terminate your employment voluntarily or are

MF Global Holdings USA Inc.

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terminated for Cause<sup>1</sup> prior to the Fiscal 2012 Guarantee payment date, you will not be eligible to receive the Fiscal 2012 Guarantee. However, if the Firm terminates your employment without Cause prior to the Fiscal 2012 Guarantee payment date, you will be entitled to receive the Fiscal 2012 Guarantee

Awards may be paid in cash or in deferred instruments under the Firm's Long Term Incentive Plan ("LTIP") or similar plan then in effect. These instruments may be subject to certain vesting, forfeiture, or other conditions. For the Fiscal Year 2012 Guarantee, the maximum portion that may be satisfied with deferred non-cash award under the Company's Long Term Incentive Plan or such other deferred plan maintained by the Company will not be greater than 25%.

### **Employee Benefits**

As part of our employment offer, you will be eligible to participate in the firm's employee benefits programs. You will be eligible to participate (i) in the health and disability insurance plans effective the first day of the month following your commencement of employment and (ii) in the 401(k) plan effective the first pay period of the month following your commencement of employment. You will be entitled to accrue vacation and other leave in accordance with the Firm's policies.

### **Work Authorization**

In order to comply with the Immigration Report and Control Act of 1986, all employers are required to verify the work authorization status of each person hired. Employment with MF Global is contingent upon your eligibility to work in the United States. Accordingly, you must bring the following documents with you on your first day of employment:

1. A U.S. passport; OR
2. A driver's license AND either a social security card or a birth certificate; OR
3. Other identification not listed above which meets the requirements of verifying work eligibility for I-9 documentation.

As a new staff member, the Compliance Department of MF Global will contact you to obtain your fingerprints and will submit them for review to the Department of Justice and/or a self-regulatory organization. You should be aware that your continued employment with MF Global is contingent upon the results of any fingerprint review. You should also be aware that the results of a fingerprint review may require you to provide additional documentation in order to remain in our employ. This is covered below

### **At-Will Employment**

Subject to any notice obligation below, your employment with MF Global is "at will". This means that either you, or the firm, can terminate your employment at any time, for any reason, or for no reason. MF Global expressly disavows any statements (oral or written) by any party, which would appear to contravene this "at will" relationship. You may not reasonably rely on any representation that contradicts the "at will" nature of your employment unless such representation is set forth in a written agreement signed by the Head of Human Resources.

### **Compliance with MF Global Policies**

<sup>1</sup> Cause' is defined as your (i) conviction of, plea of guilty to or plea of nolo contendere (or a similar plea) to, any felony, or any misdemeanor involving fraud, theft, dishonesty or otherwise applicable in connection with the performance of your duties (ii) gross misconduct or gross negligence, (iii) dishonesty (iv) violation of any law, rule, regulation of any governmental authority, securities exchange or association or any other regulatory or self-regulatory body or agency that is applicable to you or the Company (or any subsidiary or affiliate), (v) a substantial violation of the Company's (or any subsidiary's or affiliate's) policies or procedures; or (vi) engaging in an activity that has a detrimental effect on the reputation of the Company (or any subsidiary or affiliate)

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While an employee of MF Global, you will be subject to and agree to comply fully with the provisions of applicable law and regulations governing the financial services industry, and all MF Global policies, procedures, rules and regulations, including but not limited to, all terms, conditions and procedures set forth in MF Global's Employee Handbook and MF Global's Compliance Manuals, as they now exist or as they may be amended from time to time as applicable to U.S. employees. As an employee, you have an obligation to maintain a current understanding of policies and procedures that are applicable to you.

#### **Licensing Requirements**

In addition, by signing this offer letter you agree that this offer and your continued employment are contingent upon compliance with applicable regulatory and state registration and continuing education requirements. You shall not conduct activity requiring a license until such time that Compliance confirms that you may engage in such activity.

Please contact the Compliance Department at 312-548-1141 if you have questions related to the applicability of a rule, regulation or policy or if you have other Compliance-related questions.

#### **Restrictive Covenants and Notice Period**

You agree that during your employment, and then following the voluntary termination of your employment or for cause, you shall not directly or indirectly:

- (a) For a period of sixty (60) days, engage, as an owner, partner, shareholder, officer, director, employee, consultant, advisor, agent or representative, in any business that is substantially similar to that in which you were engaged during your employment with MF Global and which competes with MF Global or any of its affiliates (collectively, the "MF Global Companies"). MF Global agrees to continue to pay your base salary during this period; or
- (b) For a period of six (6) months, recruit, solicit or hire any employee of the MF Global Companies or otherwise induce any such employee to leave the employment of any of the MF Global Companies or to become an employee of or associated with you or any company or business with which you may become associated; or
- (c) For a period of six (6) months, solicit the business or patronage of any existing customer, client or account, of any of the MF Global Companies (excluding any such relationship that you had prior to becoming employed by MF Global), for the purpose of replacing existing business that they may have with any of the MF Global Companies.

You agree to provide the Firm with written notice of your intent to terminate your employment thirty (30) days prior to such termination (the "Notice Period"). The Firm may elect to waive, place you on paid leave, or require that you not report for work for all or any part of such Notice Period, subject to applicable law. During the Notice Period, you will remain an employee of the Firm, and subject to all policies, procedures, rules and regulations of the Firm.

You agree that the provisions of this section are fair and reasonable, and that you fully understand the nature and scope of such provisions. In consideration thereof and in light of your education, skill and abilities, you agree that you will not assert in any forum that such provisions prevent you from earning a living or are otherwise void or unenforceable or shall be held void or unenforceable.

#### **Representations**

This offer of employment is made to you based on your representation and warranty to MF Global that (i) you are not subject to any non-competition or non-solicitation agreement as it relates to customers or

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employees, with any current or former employer, (ii) you are not subject to any other obligation which would in any way restrict the performance of your duties at MF Global ,(iii) to the best of your knowledge, information and belief, you are not aware of any action taken by you (or any failure to act) that could form the basis for a breach of fiduciary duty or related claim by any current or former employer against you, and (iv) you do not possess any material, tangible confidential or trade secret information of any current or former employer

**Miscellaneous**

This offer and your employment with MF Global are conditioned upon the completion to the Firm's satisfaction of pre-employment, background, reference, regulatory (which will include fingerprinting), credit, criminal and/or other personal checks.

This offer letter will be governed by and construed in accordance with the laws of the State of New York without reference to its conflict of laws principles.

This offer letter contains the entire understanding of the parties and supersedes any and all other prior understandings, representations and promises (whether written or oral) between the parties. This offer letter may not be modified or altered except in writing duly signed by you and an authorized representative of MF Global's Human Resources Department and which writing expressly refers to this offer letter. You shall not assign this offer letter, however, the Firm may assign this offer letter and your employment to its affiliates.

Please indicate your agreement and acceptance by signing below and returning a copy of this letter to me. Your signature will indicate your understanding of, and agreement to, the terms and conditions on which this offer is based.

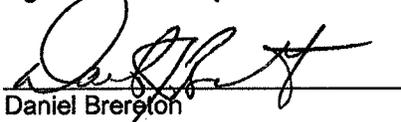
We are looking forward to you joining MF Global, and to the contributions that you will make as a member of our Firm.

Very truly yours,



Thomas F. Connolly  
Global Head of Human Resources

**Agreed and Accepted:**

  
Daniel Brereton

6/8/11  
Date

**MF GLOBAL HOLDINGS LTD.  
AMENDED AND RESTATED  
2007 LONG TERM INCENTIVE PLAN**

**RESTRICTED SHARE UNIT AWARD AGREEMENT**

This Agreement (this "Agreement") sets forth the terms and conditions of the award (this "Award") granted to the recipient set forth in Section 2 (the "Grantee") by MF Global Holdings Ltd., a Delaware corporation (the "Company"), under the MF Global Holdings Ltd. Amended and Restated 2007 Long Term Incentive Plan, as may be amended from time to time, (the "Plan"), of Restricted Share Units (the "RSUs") in respect of common stock of the Company, par value U.S. \$1.00 per share (the "Shares"), subject to the terms and conditions in the Plan and in this Agreement.

1. The Plan.

The Awards made in accordance with this Agreement are pursuant to the terms and conditions of the Plan, a copy of which has been provided with this Agreement, and which is available to the Grantee on the Company Intranet or upon request from Human Resources. The terms and conditions of the Plan are incorporated as if set forth in this Agreement. Capitalized terms used in this Agreement without definition shall have the same meanings as in the Plan.

2. Award. Effective as of the date set forth below (the "Grant Date"), the Company hereby grants to the Grantee the following number of RSUs under the Plan:

Name of Grantee: [Name]

Grant Date: [Date]

Number of RSUs: [ ]

Each RSU constitutes an unfunded and unsecured promise by the Company to deliver, by issue, to the Grantee subject to section 4(b), one Share on the respective Delivery Date(s) as provided in this Agreement (the Shares that become deliverable to the Grantee pursuant to this Agreement, the "RSU Shares"). Until such delivery, the Grantee has only the rights of a general unsecured creditor and no rights as a stockholder, of the Company.

This Award is subject to all terms and conditions of the Plan and this Agreement.

3. Vesting. The Award will vest ratably over a period of three (3) years, i.e., one-third (33.3%) per year, on each of the three (3) successive anniversaries of the Grant Date following the Grant Date (each such date, a "Scheduled Vesting Date"). Unvested portions of each Award are subject to forfeiture as described below, except as otherwise provided in Sections 5 and 6.

4. Delivery.

(a) Subject to Sections 9 and 18 and except as otherwise provided in this Agreement or any similar agreement governing Plan awards, the RSU Shares will be delivered to the Grantee on the earliest of: (1) within 60 days after the respective Scheduled Vesting Date, or (2) the applicable payment date specified in Section 5 or 6 (each such date, a "Delivery Date").

(b) Subject to the Plan and applicable law, in the discretion of the Committee, in lieu of all or any portion of the RSU Shares otherwise deliverable and in accordance with Section 10(b) of the Plan, the Company may deliver cash, and in such case, all references in this Agreement to deliveries of RSU Shares will, as applicable, be deemed to include such deliveries of cash, provided that any cash that may be delivered shall not have the effect of deferring delivery or payment, U.S. income inclusion, or a substantial risk of forfeiture beyond the date on which such delivery, payment or inclusion would occur or such risk of forfeiture would lapse with respect to the RSU Shares that would otherwise have been deliverable.

5. Termination of Employment. Subject to the terms of any employment agreement between the Grantee and the Company or any Affiliate or Subsidiary, if the Grantee's employment with the Company and its Affiliates terminates for any reason prior to any Scheduled Vesting Date, any RSUs that are unvested on the date of the Grantee's termination of employment will automatically be forfeited in full and cancelled by the Company upon such termination of employment. However, unvested RSUs may become vested as follows:

(a) Death or Disability. If, prior to the Grantee's termination of employment, the Grantee dies or has a Disability, any then unvested RSUs will vest as of the date of such death or Disability and be paid out to the Grantee (or his/her estate or guardian, as the case may be) within 60 days after the date of the Grantee's death or Disability. For purposes of this Agreement, "Disability" has the meaning set forth in Section 409A.

(b) Retirement. If the Grantee's termination of employment is by reason of Retirement, any then unvested RSUs will vest as of the date of such termination and be paid out to the Grantee within 60 days after the date of the Grantee's termination of employment due to Retirement. For purposes of this Agreement, "Retirement" means a termination after age 60, provided that the Grantee has completed at least 10 years of continuous service with the Company and its Subsidiaries and Affiliates (including service with any Man Group plc entity before the Effective Date of the Plan) at the time of such termination.

(c) Mutual Consent. If the Grantee's employment is terminated by the Grantee or the Company (or any Subsidiary or Affiliate) for reasons mutually agreed upon with the prior written consent of the Company and signed by the Grantee, the Committee (in its sole discretion) may agree to vest all or a portion of any then unvested RSUs as of the date of such termination (with any then unvested RSUs that do not become vested being automatically forfeited and

cancelled pursuant to the general provisions of Section 5 above). Any RSUs that vest in connection with the Grantee's termination of employment will be paid out to the Grantee within 60 days after the date of the Grantee's termination of employment.

(d) Termination Without Cause. If the Grantee's employment is terminated by the Company (or any Subsidiary or Affiliate) without Cause (as such term is defined below), any then unvested RSUs will vest as of the date of such termination and be paid out to the Grantee within 60 days after the date of the Grantee's termination of employment without Cause.

(e) Termination Covered by Employment Agreement. If, in connection with the Grantee's termination of employment, the Grantee becomes entitled to vest in any then unvested RSUs pursuant to the terms of the Grantee's employment agreement or any other agreement between the Grantee and the Company or any Affiliate or Subsidiary, any RSUs that vest in connection with the Grantee's termination of employment will be paid out to the Grantee within 60 days after the date of the Grantee's termination of employment (with any then unvested RSUs that do not become vested being automatically forfeited and cancelled pursuant to the general provisions of Section 5 above).

Notwithstanding anything to the contrary herein, in the event that the Grantee's employment is terminated for Cause, any RSUs that are unvested on the date of the Grantee's termination of employment will automatically be forfeited in full and canceled. For purposes of this Agreement, "Cause" shall mean the Grantee's (i) conviction, or plea of nolo contendere (or a similar plea), in a criminal proceeding; (ii) gross misconduct or gross negligence; (iii) dishonesty; (iv) violation of any law, rule, regulation of any governmental authority, securities exchange or association or any other regulatory or self-regulatory body or agency applicable to the Grantee or the Company (or any Subsidiary or Affiliate), or any material violation of the Company's (or any Subsidiary's or Affiliate's) policies or procedures; or (v) engaging in an activity that has a significant detrimental effect on the reputation of the Company (or any Subsidiary or Affiliate); provided, however, that if "Cause" is defined in an employment or similar agreement between the Grantee and the Company (or any Subsidiary or Affiliate), that definition will apply in lieu of the definition set forth herein.

6. Change in Control. Notwithstanding any other provision of this Agreement or the Plan, upon a Change in Control, all of the Grantee's outstanding and then unvested RSUs will vest. Any RSUs that vest in connection with the Change in Control (or cash payable pursuant to Section 4(b)) will be paid out to the Grantee promptly after but not more than 60 days after the date of the Change in Control if the Change in Control constitutes a Qualified Change in Control, otherwise such RSUs (or cash payable pursuant to Section 4(b)) will be paid out to the Grantee on the earliest of: (1) within 60 days after the respective Scheduled Vesting Date, or (2) within 60 days after the date of the Grantee's termination of employment, or (3) within 60 days after the date of the Grantee's death or Disability, or (4) within 60 days after the date of any Qualified Change in Control.

7. No Dividend Equivalents. The Grantee will not be entitled to receive dividends or any dividend equivalents in respect of the RSUs (whether vested or unvested) unless otherwise determined by the Committee.

8. Issuance of RSU Shares. Upon the respective Delivery Date(s), and subject to the Company's rights pursuant to Section 4(b), the Company will issue the RSU Shares registered in the name of the Grantee, the Grantee's authorized assignee or the Grantee's legal representative, as applicable. The Company may reasonably postpone the issuance of the RSU Shares until it receives satisfactory proof that the issuance of such RSU Shares will not violate any of the provisions of the Securities Act or the Exchange Act, any rules or regulations of the Securities and Exchange Commission ("SEC") promulgated thereunder, or the requirements of applicable state or foreign law relating to authorization, issuance or sale of securities, or until there has been compliance with the provisions of such acts or rules; provided that the delivery shall be made at the earliest date at which the Company reasonably anticipates that it will not cause such violation. Notwithstanding the provisions of this Section 8, the Company will not act in a manner as to cause the delivery of the RSU Shares to fail to comply with the requirements of Section 409A. The Grantee understands that the Company is under no obligation to register or qualify the RSU Shares with the SEC, any state securities commission or any securities exchange to effect such compliance.

9. Tax Withholding. The Award and the issuance of the RSU Shares are subject to the Company's withholding rights under Section 16(f) of the Plan. Accordingly, prior to the issuance of the RSU Shares or as otherwise required by any applicable law, the Grantee will pay, or otherwise provide for to the satisfaction of the Company, any applicable tax and/or withholding obligations of the Company. From time to time the Committee may permit, to the extent permitted by applicable law, the Grantee to provide for payment of withholding taxes by requesting that the Company retain RSU Shares with a Fair Market Value equal to the statutory minimum amount of taxes required to be withheld.

10. Trading Policies. To the extent applicable, the Grantee agrees that he or she will not sell, transfer by any means or otherwise dispose of the RSU Shares acquired by him or her except in accordance with the Company's applicable insider and personal trading policies regarding the sale and disposition of securities owned by employees of the Company (or any Subsidiary or Affiliate).

11. Non-Transferability of RSUs. The RSUs may not be transferred in any manner except by will or the laws of descent and distribution.

12. Privileges of Share Ownership. The Grantee will not have any of the rights of a shareholder of the Company with respect to any RSU Shares until the RSU Shares are issued to the Grantee and such Grantee has become the holder of record.

13. Entire Agreement. This Agreement (together with any Annex), the Plan and any such other documents as may be executed in connection with the issuance of the RSU Shares constitute the entire agreement and understanding of the Company and the

Grantee with respect to the subject matter hereof and supersede all prior understandings and agreements, understandings, representations, and promises (whether written, oral or by some past action) between the parties, with respect to such subject matter, including without limitation, any agreements, understandings, representations, past actions, related to incentives, production payments, incentives or variable compensation arrangements or awards Grantee has with the Company or any of its Affiliates, including without limitation, any production bonus, income pool, or commission arrangement set forth in any offer letter or similar agreement between Grantee and the Company. In the event of any conflict between the Plan and this Agreement, the provisions of this Agreement shall govern. The Committee reserves the right at any time to amend the terms and conditions set forth in this Agreement; provided, that, notwithstanding the foregoing, no such amendment shall materially impair the Grantee's rights under this Agreement without the Grantee's consent (or the consent of the Grantee's estate, if such consent is obtained after the Grantee's death) or cause the delivery of the RSU Shares to fail to comply with the requirements of Section 409A. Any amendment of this Agreement shall be in writing signed by an authorized member of the Committee or a person or persons designated by the Committee.

14. No Additional Employment Rights.

(a) No Obligation to Employ. Nothing in the Plan or this Agreement will confer on the Grantee any right to continue to serve as an employee of, or to continue in any other relationship with, the Company (or any Subsidiary or Affiliate), or limit in any way the right of the Company (or any Subsidiary or Affiliate) to terminate the Grantee's employment or other relationship at any time.

(b) Discretion. By accepting the RSUs under this Agreement, the Grantee waives any possible entitlement to any compensation for any loss he or she may suffer as a result of the exercise, or the failure to exercise, any discretion provided to the Company or the Committee under the Plan.

(c) Claims. By accepting the RSUs the Grantee agrees that the provisions contained in Sections 14(a), 14(b) and this Section 14(c) apply in relation to any claim he or she may have against the Company (or any Subsidiary or Affiliate) which employs (or has employed) the Grantee and any officer or employee thereof, as well as to the Company (if it is not the employing entity) and its officers and employees. Such provisions are enforceable by those persons in their own right. Any termination or variation of the Plan without the consent of those persons will not limit or remove the provisions above in respect of matters which had arisen before the date of the termination or variation.

15. Notices. Any notice required to be given or delivered to the Company under the terms of this Agreement will be in writing and addressed to the Head of Human Resources of the Company at its principal corporate offices in New York, New York (United States of America). Any notice required to be given or delivered to the Grantee will be in writing and addressed to the Grantee at the address last on the records of the Company (or any Subsidiary or Affiliate). All notices will be deemed to have been given

or delivered upon: personal delivery; three days after deposit in the United States mail by certified or registered mail (return receipt requested); two business days after deposit with any return receipt express international courier (prepaid); one business day after deposit with any return receipt express United States courier (prepaid); or one business day after transmission by confirmed facsimile.

16. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, all the provisions of the Plan and this Agreement will be binding upon the Grantee and the Grantee's heirs, executors, administrators, legal representatives, successors and assigns.

17. Binding Effect. Any action taken or decision made by the Committee arising out of or in connection with the construction, administration, interpretation or effect of this Agreement will lie within its sole and absolute discretion, as the case may be, and will be final, conclusive and binding on the Grantee and all persons claiming under or through the Grantee.

18. Section 409A/Delay in Payment. To the extent required in order to avoid the imposition of any interest, penalties and additional tax under Section 409A, any payments or delivery of RSU Shares payable as a result of the Grantee's termination of employment with the Company (or any Subsidiary or Affiliate), including, without limitation, pursuant to Section 5 above, will be delayed until the first business day of the seventh month following such termination of employment, or if earlier, the date of the Grantee's death, if the Grantee is deemed to be a "specified employee" as defined in Section 409A and as determined by the Company. Any payments or delivery of RSU Shares provided for in this Agreement in connection with the Grantee's termination of employment shall be made to the Grantee only upon a "separation from service" (as such term is defined and used in Section 409A). Each payment under the RSUs shall be treated as a separate payment for purposes of Section 409A.

19. Data Privacy Consent. In order to administer the Plan and this Award, the Company may process personal data about the Grantee. Such data may include, but is not limited to, the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Grantee such as the Grantee's home address and telephone number, date of birth, social security or other identification number, salary and other payroll information, nationality, job title, directorships and/or Shares held in the Company, and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan and this Award. By accepting this grant, the Grantee hereby gives explicit consent to the Company (a) to process any such personal data and (b) to transfer any such personal data outside the country in which the Grantee works or is employed, including, if the Grantee is a non-United States resident, to the United States, to transferees who will include the Company, its Subsidiaries and Affiliates, and to other persons who are designated by the Company to administer the Grantee's participation in the Plan (including without limitation to any

broker or other third party with whom the RSU Shares acquired on payment of this Award may be deposited).

20. Arbitration/Choice of Forum.

(a) Any dispute, controversy or claim between the Company and the Grantee, arising out of or relating to or concerning the Plan or this Agreement (including any Annex), will be finally settled by arbitration in New York, New York, United States of America (or, if the Grantee is a non-United States resident, in London, England) before, and in accordance with the rules then obtaining of, the American Arbitration Association (the “AAA”) (or, if the Grantee is a non-United States resident, the International Centre for Dispute Resolution) in accordance with the commercial arbitration rules of the AAA. Prior to arbitration, all claims maintained by the Grantee must first be submitted to the Committee in accordance with claims procedures determined by the Committee. This Section is subject to the provisions of Sections 20(b) and (c) below.

(b) The Company and the Grantee hereby irrevocably submit to the exclusive jurisdiction of any state or federal court located in the in The City of New York over any suit, action or proceeding arising out of or relating to or concerning the Plan or this Agreement that is not otherwise arbitrated or resolved according to Section 20(a) of this Agreement. This includes any suit, action or proceeding to compel arbitration or to enforce an arbitration award. The Company and the Grantee acknowledge that the forum designated by this Section 20(b) has a reasonable relation to the Plan, this Agreement, and to the Grantee’s relationship with the Company.

(c) The Grantee and the Company agree that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any such suit, action or proceeding in any such court will be conclusive and binding upon the Grantee and the Company.

(d) The Grantee irrevocably appoints the Secretary of the Company as the Grantee’s agent for service of process in connection with any action, suit or proceeding arising out of or relating to or concerning this Agreement which is not arbitrated pursuant to the provisions of Section 20(a), who will promptly advise the Grantee of any such service of process.

(e) The Grantee hereby agrees to keep confidential the existence of, and any information concerning, a dispute described in this Section 20, except that the Grantee may disclose information concerning such dispute to the arbitrator or court that is considering such dispute or to the Grantee’s legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute), or as may be required by law or legal process after providing the Company with prior written notice and an opportunity to respond to such disclosure (unless such notice is prohibited by law). Nothing in this Agreement prohibits the Grantee from

providing truthful testimony concerning the Company (or any Subsidiary or Affiliate) to governmental, regulatory or self-regulatory authorities.

(f) The Grantee recognizes and agrees that prior to the grant of this Award the Grantee has no right to any benefits hereunder. Accordingly, in consideration of the receipt of this Award, the Grantee expressly waives any right to contest the amount of this Award, terms of this Agreement, or any determination, action or omission hereunder or under the Plan made or taken in good faith by the Committee, the Company or the Board, or any amendment to the Plan or this Agreement made in accordance with the terms of the Plan or this Agreement, as applicable, and the Grantee expressly waives any claim related in any way to this Award including any claim based on any promissory estoppel or other theory in connection with this Award and the Grantee's employment with the Company (or any Subsidiary or Affiliate).

21. Electronic Delivery. The Company in its sole discretion may decide to deliver any documents related to the Plan, the RSUs or future Awards that may be awarded under the Plan by electronic means or request the Grantee's consent to participate in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery, including by accessing such documents on a website, and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company. In addition, the Company may choose to provide and deliver certain statutory and/or by-law materials or documents relating to the Plan in electronic form. The Grantee hereby further consents to receive the Plan prospectus, the Company's annual report and proxy statement and other required documents in an electronic format. The Grantee may at any time elect to receive paper copies of these documents by contacting the Secretary of the Company with this request.

22. Governing Law. This agreement will be governed by and construed in accordance with the laws of the State of New York (United States of America) without regard to principles of conflict of laws.

23. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed to be an original.

24. Grantee Acceptance and Acknowledgements. The granting of this Award is contingent on the Grantee accepting this Award and agreeing to its terms. By accepting this Award and agreeing to its terms, the Grantee agrees that all incentive, variable, bonus, performance based, or other compensation arrangements the Grantee has with the Company or any of its Affiliates are, to the extent necessary, hereby amended and modified to the extent that such arrangement(s) shall now reflect that the distribution of any immediate past, current or future incentive, variable compensation or other compensation arrangement or distribution (other than a salary or draw) includes that a portion of any such award shall be distributed in the form of long term deferred incentive awards (whether in the form of restricted share units, restricted stock, options, another form of equity-based award or otherwise), and subject to vesting and/or forfeiture

provisions contained in this Agreement and the Plan, or any other applicable arrangement plan, award agreement or other relevant document.

**If the Grantee does not sign in the signature block set forth below and return an executed copy of this Agreement to the Head of Human Resources of the Company at its principal corporate offices in New York, New York (United States of America) (or, if the Grantee does not accept and agree to the terms of this Award through an electronic grant notification system maintained by or on behalf of the Company) within 45 days of the grant date, this Award will be null and void *ab initio*.**

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed as of the date indicated below, effective as of the Grant Date.

MF GLOBAL HOLDINGS LTD.

By:   
Name: Thomas Connolly  
Title: Senior Vice President, Human Resources

GRANTEE

By: \_\_\_\_\_  
Name: