

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

MICHAEL RUBIN,

Plaintiff,

v.

MF GLOBAL, LTD., et al.,

Defendants.

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: Case No. 08 Civ. 2233 (VM)
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STIPULATION AND AGREEMENT OF SETTLEMENT

This stipulation and agreement of settlement (the “Stipulation” or “Settlement”) is made and entered into by and between the Iowa Public Employees’ Retirement System (“IPERS”), the Policemen’s Annuity & Benefit Fund of Chicago (“PABF”), the Central States, Southeast and Southwest Areas Pension Fund (“Central States”), and the State-Boston Retirement System (“State-Boston”) (collectively, “Lead Plaintiffs”), on behalf of themselves and the putative Class (defined below), and MF Global Holdings Ltd. (formerly known as MF Global, Ltd.) (“MF Global” or the “Company”), Man Group plc (“Man Group”), Man Group UK Ltd. (“Man UK”), the Individual Defendants (defined below) and the Underwriter Defendants (defined below, and together with the Company, Man Group, Man UK, and the Individual Defendants, the “Settling Defendants”).

WHEREAS:

A. All words or terms used here in that are capitalized shall have the meaning ascribed to those words or terms as set forth herein and in ¶1 hereof entitled “Definitions.”

B. Beginning on March 6, 2008, a series of proposed class actions were filed against the Settling Defendants in the United States District Court for the Southern District of New York (the “Court”). On March 31, April 7, April 9 and April 15, 2008 the Court issued orders consolidating these cases into the present Litigation.

C. On June 23, 2008, the Court appointed Lead Plaintiffs and approved their selection of Barrack Rodos & Bacine and Cohen Milstein Hausfeld & Toll PLLC (now Cohen Milstein Sellers & Toll PLLC) as co-Lead Counsel, to represent the putative Class.

D. Lead Plaintiffs filed a Consolidated Class Action Complaint on September 12, 2008 (the “September 2008 Complaint”) against the Settling Defendants and Lehman Brothers, Inc. (“Lehman”) for violations of Sections 11, 12(a)(2), and 15 of the Securities Act of 1933 (the “Securities Act”), based on allegedly false statements about MF Global’s risk management system in the Registration Statement and Prospectus that were issued in connection with the Company’s Initial Public Offering on July 19, 2007 (the “IPO”).

E. On November 13, 2008, the Court ordered further proceedings against Lehman stayed pursuant to the automatic stay provisions of the Bankruptcy Code.

F. On January 12, 2009, the Settling Defendants filed motions to dismiss the September 2008 Complaint.

G. By order and opinion dated July 16, 2009 (the “July 16, 2009 Order”), the Court dismissed all claims against the Settling Defendants and gave Lead Plaintiffs twenty days to request leave to amend.

H. On August 5, 2009, Lead Plaintiffs moved for leave to amend the September 2008 Complaint and submitted a proposed First Amended Consolidated Class Action Complaint (the “Proposed Amended Complaint”).

I. On September 11, 2009, the Court denied Lead Plaintiffs' motion for leave to file the Proposed Amended Complaint and entered final judgment for Defendants.

J. On September 18, 2009, Lead Plaintiffs timely appealed the Court's orders dismissing the September 2008 Complaint and denying Lead Plaintiffs' motion for leave to amend.

K. On September 14, 2010, the United States Court of Appeals for the Second Circuit affirmed in part, vacated in part, and remanded the Litigation to the Court for proceedings consistent with its opinion.

L. On September 27, 2010, the Court granted Lead Plaintiffs' request to file an amended complaint consistent with the Second Circuit's opinion.

M. On November 5, 2010, Lead Plaintiffs filed the operative complaint in the Litigation, the First Amended Consolidated Class Action Complaint (the "Complaint"), against the Settling Defendants.

N. On December 15, 2010 and December 21, 2010, Lead Plaintiffs and the Settling Defendants (collectively, the "Settling Parties") or their representatives, along with representatives of insurers of MF Global and the Individual Defendants, among others, engaged in lengthy mediation sessions to discuss a potential settlement of the Litigation with former United States District Judge Layn R. Phillips ("Judge Phillips"). In connection with the mediation process, the Settling Parties submitted mediation statements to Judge Phillips and exchanged these statements with each other. The statements summarized the Settling Parties' respective settlement positions.

O. The mediations were part of an extended effort to settle the Litigation. Judge Phillips focused the Settling Parties on the relevant legal and factual weaknesses of each side's

claims and followed-up with conversations with both sides, on multiple occasions, in the week between the two mediation sessions. These discussions resulted in Judge Phillips issuing a mediator's recommendation at the end of the mediation session on December 21, 2010. The Settling Parties, with the consent of their insurers, accepted the mediator's recommendation shortly thereafter.

P. Lead Plaintiffs, through Plaintiffs' Counsel (defined below), conducted a thorough investigation relating to the claims and underlying events and transactions of the Litigation. This process included reviewing and analyzing: (i) the grand jury indictment of the Company's broker as well as investigative findings by the Chicago Board of Trade and the Commodity Futures Trading Commission; (ii) MF Global's filings with the Securities and Exchange Commission (the "SEC"); and (iii) securities analysts' reports, public statements, media reports and court records. Plaintiffs' Counsel also located and interviewed numerous confidential witnesses. Plaintiffs' Counsel also consulted with an experienced damages expert. The process was further informed by Lead Plaintiffs' briefing and successful appeal of the District Court's rejection of the September 2008 Complaint.

Q. Plaintiffs' Counsel also conducted extensive confirmatory discovery including a review of 1,781 core documents totaling 38,433 pages and depositions of four fact witnesses.

R. Lead Plaintiffs believe that the claims asserted in the Litigation have merit and that the evidence developed to date supports the claims asserted. However, Lead Plaintiffs and Plaintiffs' Counsel recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Litigation against the Settling Defendants through trial and appeals. Lead Plaintiffs and Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as the Litigation, as well as the

difficulties and delays inherent in such litigation. Plaintiffs' Counsel also are mindful of the inherent problems of proof and the possible defenses to the claims alleged in the Litigation. Based on their evaluation, Lead Plaintiffs and Plaintiffs' Counsel believe that the Settlement set forth in this Stipulation confers substantial monetary benefits upon the Class and is in the best interests of Lead Plaintiffs and the Class.

S. The Settling Defendants have denied and continue to deny that they have committed any act or omission giving rise to any liability or violation of law, including any violations of the federal securities laws or any other legal obligation or duty potentially giving rise to the Released Claims. The Settling Defendants have denied and continue to deny each of the claims alleged by Lead Plaintiffs on behalf of the Class, including all claims in the Complaint.

T. Nothing in this Stipulation, whether or not consummated, or in any proceedings relating to any settlement, or in any of the terms of any settlement, whether or not consummated, shall in any way be construed as, or deemed to be evidence of, an admission or concession on the part of the Settling Defendants with respect to any claim of any liability, fault, wrongdoing, or damage whatsoever, or any infirmity in any defense that the Settling Defendants have or could have asserted. The Settling Defendants are entering into this Settlement to eliminate the burden, expense, uncertainty, distraction and risk of further litigation.

NOW THEREFORE, without any concession by Lead Plaintiffs that the Litigation lacks merit, and without any concession by the Settling Defendants of any liability or wrongdoing or lack of merit in their defenses, it is hereby **STIPULATED AND AGREED**, by and among the Settling Parties to this Stipulation, through their respective attorneys, subject to approval by the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in

consideration of the benefits flowing to the Settling Parties hereto, all Released Claims and all Released Defendants' Claims as against all Released Parties shall be fully, finally and forever compromised, settled, released, discharged and dismissed with prejudice, and without an assessment of costs against any party or counsel, upon and subject to the following terms and conditions:

DEFINITIONS

1. As used in this Stipulation, the following terms shall have the meanings set forth below:

(a) "Authorized Claimant" means a Class Member who timely submits a valid Proof of Claim and Release form to the Claims Administrator that is accepted for payment by the Court.

(b) "Claims Administrator" means the firm to be retained by Lead Counsel, subject to Court approval, to provide all notices approved by the Court to Class Members, process Proofs of Claim and administer the Settlement.

(c) "Class" or "Class Member" means any person or entity, including their legal representatives, heirs, successors or assigns, who purchased or otherwise acquired MF Global common stock pursuant or traceable to the Registration Statement and Prospectus issued in connection with the Company's IPO on or about July 19, 2007, and was damaged thereby. Excluded from the Class are the Settling Defendants; Lehman; the officers and directors of the Company, of Man Group, of Man U.K., of the Underwriter Defendants and of Lehman at all relevant times; members of their immediate families and their legal representatives, heirs, successors or assigns; and any entity in which any Settling Defendant or Lehman has or had a majority interest. Also excluded from the Class are any proposed Class Members who properly

exclude themselves by filing a valid and timely request for exclusion in accordance with the requirements set forth in the Notice. .

(d) “Company” means MF Global Holdings Ltd. (formerly known as MF Global, Ltd.).

(e) “Court” means the United States District Court for the Southern District of New York.

(f) “Defendants” means the Settling Defendants.

(g) “Distribution Order” means an order of the Court approving the Claims Administrator’s administrative determinations concerning the acceptance and rejection of the claims submitted and approving any fees and expenses not previously paid, including the fees and expenses of the Claims Administrator and, if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

(h) “Effective Date” means the date upon which the Settlement shall become effective, as set forth in ¶37 below.

(i) “Escrow Account” means the separate interest-bearing escrow account at a banking institution designated by Plaintiffs’ Counsel into which the Settlement Amount is to be deposited for the benefit of the Class. The Escrow Account shall be controlled solely by Plaintiffs’ Counsel.

(j) “Escrow Agent” means the banking institution designated by Plaintiffs’ Counsel at which the Escrow Account is to be maintained.

(k) “Final,” with respect to the Judgment means the later of: (i) the date when any applicable time period to request judicial review of the Judgment, whether by appeal, reconsideration, rehearing, writ of certiorari or otherwise, has expired without any such request

being made; or (ii) the date when any request for judicial review is decided without causing a material change in the Judgment and the Judgment becomes no longer subject to further judicial review. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to the Plan of Allocation of the Net Settlement Fund, or to the Court's award of attorneys' fees or expenses, shall not in any way delay or affect the time set forth above for the Judgment to become Final, or otherwise preclude the Judgment from becoming Final.

(l) "Funding Defendants" means MF Global and Man Group.

(m) "Individual Defendants" means Kevin R. Davis, Amy S. Butte, Alison J. Carnwath, Christopher J. Smith, Christopher Bates, Henri J. Steenkamp, and Edward L. Goldberg.

(n) "Judgment" means a judgment entered by the Court approving the Settlement substantially in the form attached hereto as Exhibit B (the "Proposed Judgment"); or a judgment entered by the Court that is not substantially in the form of the Proposed Judgment, provided that none of the parties hereto elects to exercise its sole, absolute and unqualified discretion to terminate the Settlement by reason of such variance from the Proposed Judgment.

(o) "Lead Counsel" means the law firms of Barrack Rodos & Bacine and Cohen Milstein Sellers & Toll PLLC.

(p) "Lead Plaintiffs" means the IPERS, PABF, Central States and State-Boston.

(q) "Litigation" means *Rubin v. MF Global, et al.*, No. 08-Civ-02233-VM (S.D.N.Y.) and all consolidated actions, pending in the United States District Court for the Southern District of New York, before the Honorable Victor Marrero.

(r) “Net Settlement Fund” means the Settlement Fund less: (i) Court-awarded attorneys’ fees and expenses; (ii) Notice and Administration Expenses; (iii) Taxes; and (iv) any other fees or expenses approved by the Court, including any award to the Lead Plaintiffs for reasonable costs and expenses (including lost wages) pursuant to the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §77z-1 (the “PSLRA”).

(s) “Notice” means the Notice of Pendency of Class Action and Proposed Settlement, which is to be sent to members of the Class and, subject to approval of the Court, shall be substantially in the form attached hereto as Exhibit A-1 to Exhibit A hereto.

(t) “Notice and Administration Expenses” means all fees and expenses incurred in connection with providing notice to the Class and the administration of the Settlement, including but not limited to: (i) providing notice of the proposed Settlement by mail, publication and other means; (ii) receiving and reviewing claims; (iii) applying the Plan of Allocation; (iv) communicating with Persons regarding the proposed Settlement and claims administration process; (v) distributing the proceeds of the Settlement; and (vii) fees related to the Escrow Account and investment of the Settlement Fund.

(u) “Person” means an individual, corporation (including all divisions and subsidiaries), general or limited partnership, association, joint stock company, joint venture, limited liability company, professional corporation, estate, legal representative, trust, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity.

(v) “Plaintiffs’ Counsel” means Lead Counsel and Labaton Sucharow LLP, additional counsel for Lead Plaintiff State-Boston Retirement System.

(w) “Preliminary Approval Order” means the proposed order preliminarily approving the Settlement and directing notice to the Class of the pendency of the Litigation and of the Settlement, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

(x) “Proof of Claim” or “Claim Form” means the Proof of Claim and Release form for submitting a claim, which shall be substantially in the form attached as Exhibit A-2 to Exhibit A hereto.

(y) “Released Claims” means all claims, rights and causes of action, controversies, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, judgments, and liabilities of every nature and description, whether known or Unknown (as defined below), suspected or unsuspected, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, hidden or concealed, arising under the laws, regulations or common law of the United States of America, any state or political subdivision thereof, or any foreign country or jurisdiction, in law or in equity, whether direct, derivative, individual, class or of any other description asserted or that could have been asserted by any Lead Plaintiff, any other Class Member or any other Released Plaintiff Party, or their heirs, agents, executors, administrators, trustees, beneficiaries, predecessors, successors or assigns, that arise out of, are based upon, involve, or relate in any way to any of the allegations, transactions, facts, circumstances, situations, events, matters, occurrences, representations, acts, or omissions that were or could have been involved, set forth, or referred to in the Litigation, including in the complaints filed in the Litigation (the “Asserted and Unasserted Claims”), or that relate directly or indirectly to Asserted and Unasserted Claims in connection with the purchase, other acquisition, sale or holding of MF Global common stock pursuant or traceable to

the Registration Statement and Prospectus issued in connection with the Company's IPO.

Released Claims do not include: (i) claims to enforce the Settlement; or (ii) any governmental or regulatory agency's claims asserted in any criminal or civil action against any of the Settling Defendants in its law or regulatory enforcement capacity that is not based on such governmental entity's or agency's own purchase, other acquisition, sale or holding of MF Global common stock, or its acquisition of the claims or rights of any member of the Class.

(z) "Released Defendants' Claims" means all claims, rights and causes of action, controversies, duties, obligations, demands, actions, debts, sums of money, suits, contracts, agreements, promises, damages, judgments, and liabilities of every nature and description, whether known or Unknown (as defined below), suspected or unsuspected, fixed or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, hidden or concealed, arising under the laws, regulations or common law of the United States of America, any state or political subdivision thereof, or any foreign country or jurisdiction, in law or in equity, whether direct, derivative, individual, class or of any other description, that the Settling Defendants or any Released Defendant Party (except for Lehman and its respective Released Defendant Parties), or their heirs, agents, executors, administrators, trustees, beneficiaries, predecessors, successors or assigns asserted, or could have asserted, against any of the Released Plaintiff Parties that arise out of, are based upon, involve, or relate in any way to the commencement, prosecution, settlement or resolution of the Litigation (other than claims to enforce the Settlement).

(aa) "Released Defendant Parties" means the Settling Defendants and Lehman and their respective current or former parents, subsidiaries and affiliates and their respective trustees, officers, directors, principals, employees, agents, partners, insurers, reinsurers, experts,

investigators, auditors, accountants, creditors, administrators, estates, legal representatives, heirs, attorneys, predecessors, successors or assigns, parents, subsidiaries, divisions, joint ventures, general or limited partners or partnerships, limited liability companies and any trust of which any Individual Defendant is the settlor or which is for the benefit of their immediate family members.

(bb) “Released Parties” means the Released Defendant Parties and the Released Plaintiff Parties collectively.

(cc) “Released Plaintiff Parties” means each and every Lead Plaintiff, Class Member and Plaintiffs’ Counsel, and their respective current or former parents, subsidiaries and affiliates and their respective trustees, officers, directors, principals, employees, agents, partners, insurers, reinsurers, experts, investigators, auditors, accountants, creditors, administrators, estates, legal representatives, heirs, attorneys, predecessors, successors or assigns, parents, subsidiaries, divisions, joint ventures, general or limited partners or partnerships, limited liability companies and any trust of which any Lead Plaintiff, Class Member, or Plaintiffs’ Counsel is the settlor or which is for the benefit of their immediate family members.

(dd) “Settlement” means the resolution of the Litigation as against the Settling Defendants in accordance with the terms and provisions of this Stipulation.

(ee) “Settlement Amount” means the total principal amount of \$90,000,000.00 in cash.

(ff) “Settlement Fund” means: (i) \$90,000,000.00 in cash to be paid by or on behalf of the Settling Defendants into the Escrow Account (as set forth in ¶7 below) and (ii) any earnings on any monies held in the Escrow Account.

(gg) “Settlement Hearing” means the hearing to be held by the Court to determine whether the proposed Settlement is fair, reasonable and adequate and should be approved.

(hh) “Settling Defendants” means MF Global, Man Group, Man UK, the Individual Defendants and the Underwriter Defendants.

(ii) “Settling Defendants’ Counsel” means the law firms of Wachtell, Lipton, Rosen & Katz, Boies, Schiller & Flexner LLP and Shearman & Sterling LLP.

(ij) “Settling Party” or “Settling Parties” means Settling Defendants and Lead Plaintiffs, on behalf of themselves and the other Class Members.

(kk) “Stipulation” means this Stipulation and Agreement of Settlement.

(ll) “Summary Notice” means the Summary Notice of Pendency of Class Action and Proposed Settlement for publication, which shall be substantially in the form attached as Exhibit A-3 to Exhibit A hereto.

(mm) “Taxes” means all taxes arising with respect to the Settlement Fund and any expenses and costs incurred in connection with the taxation of the Settlement Fund (including, without limitation, interest, penalties, and fees of accountants or tax attorneys so long as they are hired by Lead Counsel or the Claims Administrator).

(nn) “Underwriter Defendants” means Citigroup Global Markets Inc., J.P. Morgan Securities Inc. (n/k/a J.P. Morgan Securities LLC), Merrill Lynch, Pierce, Fenner & Smith, Incorporated, UBS Securities LLC, Credit Suisse Securities (USA) LLC, Deutsche Bank Securities Inc., Goldman, Sachs & Co., Morgan Stanley & Co. Incorporated, ABN AMRO Rothschild LLC, Banc of America Securities LLC, BMO Capital Markets Corp., HSBC Securities (USA) Inc., Keefe, Bruyette & Woods, Inc., Sandler O’Neill & Partners, L.P.,

Wachovia Capital Markets, LLC, Blaylock & Co. Inc., Calyon Securities (USA) Inc. (n/k/a Crédit Agricole Securities (USA) Inc.), Chatsworth Securities LLC, CL King & Associates, Inc., Dowling & Partners Securities, LLC, E*TRADE Securities LLC, Fortis Securities LLC, Guzman & Co., ING Financial Markets, LLC, Jefferies & Co., Inc., Lazard Capital Markets LLC, M.R. Beal & Co., Mizuho Securities USA Inc., Muriel Siebert & Co., Inc., Oppenheimer & Co. Inc., Piper Jaffray & Co., Raymond James & Associates, Inc., RBC Capital Markets Corp., Robert W. Baird & Co. Inc., Samuel A. Ramirez & Co., Inc., SMH Capital Inc. (n/k/a Sanders Morris Harris Inc.), Stifel, Nicolaus & Co., Inc., SunTrust Capital Markets, Inc. (n/k/a SunTrust Robinson Humphrey, Inc.), The Williams Capital Group, L.P., Utendahl Capital Partners, L.P., Wells Fargo Securities, LLC, and William Blair & Co., LLC.

(oo) “Unknown Claims” means any and all Released Claims, which any Lead Plaintiff, any other Class Member or any other Released Plaintiff Party does not know or suspect to exist in his, her or its favor at the time of the release of the Released Defendant Parties, and any Released Defendants’ Claims that any Settling Defendant or any other Released Defendant Party (except for Lehman and its respective Released Defendant Parties) does not know or suspect to exist in his, her or its favor at the time of the release of the Released Plaintiff Parties, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiffs and the Settling Defendants shall expressly, and each other Class Member, Released Plaintiff Party and Released Defendant Party (except for Lehman and its respective Released Defendant Parties) shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished any and all provisions, rights and benefits conferred by any law of any state or territory of the

United States, or principle of common law, which is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Lead Plaintiffs, the other Class Members, the other Released Plaintiff Parties, the Settling Defendants or the other Released Defendant Parties (except for Lehman and its respective Released Defendant Parties) may hereafter discover facts in addition to or different from those which he, she, or it now knows or believes to be true with respect to the subject matter of the Released Claims and the Released Defendants' Claims, but Lead Plaintiffs and the Settling Defendants shall expressly, fully, finally and forever settle and release, and each other Class Member, Released Plaintiff Party and Released Defendant Party (except for Lehman and its respective Released Defendant Parties) shall be deemed to have settled and released, and upon the Effective Date and by operation of the Judgment shall have settled and released, fully, finally, and forever, any and all Released Claims and Released Defendants' Claims as applicable, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiffs and the Settling Defendants acknowledge, and other Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims and Released Defendants' Claims was separately bargained for and was a key element of the Settlement.

SCOPE AND EFFECT OF SETTLEMENT

2. The obligations incurred pursuant to this Stipulation are, subject to approval by the Court and such approval becoming Final, in full and final disposition of the Litigation with

respect to the Released Parties and any and all Released Claims and Released Defendants' Claims.

3. For purposes of this Settlement only, Lead Plaintiffs and the Settling Defendants agree to: (i) certification of the Litigation as a class action, pursuant to Fed. R. Civ. P. 23(a) and 23(b)(3), on behalf of the Class as defined in ¶1(c); (ii) the certification of Lead Plaintiffs as Class Representatives for the Class; and (iii) the appointment of Lead Counsel as Class Counsel for the Class.

4. Nothing in this Stipulation, the Preliminary Approval Order, the Judgment or any of the proceedings held in connection with the Settlement shall be taken as an admission or concession that the Class or any other class could or could not properly be certified if this Litigation were not settled. The Parties agree that, in the event the Settlement is terminated or the Effective Date does not occur for any reason, the Settlement Class shall be decertified and neither this Stipulation nor the Preliminary Approval Order nor the Judgment nor any of the proceedings had in connection with the Settlement shall be referred to or offered into evidence to support any argument or contention that a class could or should be certified in the Litigation.

5. By operation of the Judgment, as of the Effective Date, and subject to ¶38, Lead Plaintiffs, each and every other Class Member and each of their respective Released Plaintiff Parties, on behalf of themselves and each of their respective heirs, agents, executors, trustees, administrators, predecessors, successors and assigns (i) shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Claims, as against each and every one of the Released Defendant Parties; (ii) shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Claims against any of the Released Defendant Parties; and (iii) shall be deemed to have covenanted not

to sue any Released Defendant Party on the basis of any Released Claim or, unless compelled by operation of law, to assist any person in commencing or maintaining any suit relating to any Released Claim against any Released Defendant Party. The foregoing release is given regardless of whether such Lead Plaintiffs or Class Members have: (i) executed and delivered a Proof of Claim; (ii) received the Notice; (iii) participated in the Settlement Fund; (iv) filed an objection to the Settlement, the proposed Plan of Allocation, or any application by Plaintiffs' Counsel for attorneys' fees and expenses; or (v) had their claims approved or allowed. Nothing contained herein shall, however, bar any action or claim to enforce the terms of this Stipulation or the Final Judgment.

6. By operation of the Judgment, as of the Effective Date, the Settling Defendants and each of their respective Released Defendant Parties (except for Lehman and its respective Released Defendant Parties), on behalf of themselves and each of their respective heirs, agents, executors, trustees, administrators, predecessors, successors and assigns (i) shall be deemed to have fully, finally and forever waived, released, discharged and dismissed each and every one of the Released Defendants' Claims, as against each and every one of the Released Plaintiff Parties; (ii) shall forever be barred and enjoined from commencing, instituting, prosecuting or maintaining any of the Released Defendants' Claims against any of the Released Plaintiff Parties; and (iii) shall be deemed to have covenanted not to sue any Released Defendant Party on the basis of any Released Claim or, unless compelled by operation of law, to assist any person in commencing or maintaining any suit relating to any Released Claim against any Released Defendant Party. Nothing contained herein shall, however, bar any action or claim to enforce the terms of this Stipulation or the Final Judgment.

THE SETTLEMENT CONSIDERATION

7. In full settlement of the claims asserted in the Litigation against the Settling Defendants and in consideration of the releases specified in ¶¶5-6, above, the Funding Defendants shall pay or cause to be paid the sum of \$90,000,000.00 in cash (the “Settlement Amount”). The Funding Defendants shall cause the Settlement Amount to be deposited into the Escrow Account within ten (10) business days of entry of the Preliminary Approval Order by the Court. Each Funding Defendant’s obligation to secure payment of the Settlement Amount shall be several. Defendants other than the Funding Defendants shall have no responsibility to pay or cause to be paid any portion of the Settlement Amount.

8. With the sole exception of the Funding Defendants’ obligation to secure payments into the Escrow Account as provided for in ¶7, the Released Defendant Parties and Settling Defendants’ Counsel shall have no obligation to make or cause to be made any payment into the Escrow Account pursuant to this Stipulation, and shall have no responsibility or liability with respect to the Escrow Account or the monies maintained in the Escrow Account, including, without limitation, any responsibility or liability related to any fees, Taxes, investment decisions, maintenance, supervision or distributions of any portion of the Settlement Amount.

9. The Settling Parties agree to cooperate in expeditiously seeking preliminary and final approval of the Settlement.

USE AND TAX TREATMENT OF SETTLEMENT FUND

10. The Settlement Fund shall be used: (i) to pay any Taxes; (ii) to pay Notice and Administration Expenses; (iii) to pay any attorneys’ fees and expenses awarded by the Court; (iv) to pay any costs and expenses allowed by the PSLRA and awarded to the Lead Plaintiffs by the Court; and (v) to pay claims to Authorized Claimants.

11. The Net Settlement Fund shall be distributed to Authorized Claimants as provided in ¶¶23-26 hereof. The Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held in the Escrow Account shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be disbursed or returned, pursuant to ¶45 of this Stipulation, and/or further order of the Court. The Escrow Agent shall invest the funds held in the Escrow Account in instruments backed by the full faith and credit of the United States Government, or fully insured by the United States Government or an agency thereof, and the proceeds of these instruments shall be reinvested as they mature in similar instruments at the then-current market rates. However, in the event that financial instability creates a bona fide issue concerning the safety, security or liquidity of such investments, Lead Plaintiffs may but shall not be required to move, and only if Lead Plaintiffs make such a motion, the Court may order that all or part of the funds be invested or reinvested in one or more alternative investments with equal or greater safety, security and liquidity. All risks related to the investment of the Settlement Fund shall be borne by the Settlement Fund. The Released Defendant Parties and Settling Defendants' Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to investment decisions or the actions of the Escrow Agent, or any transaction executed by the Escrow Agent.

12. The Settling Parties agree that the Settlement Fund is intended to be a "qualified settlement fund" within the meaning of Treas. Reg. § 1.468B-1. In addition, Plaintiffs' Counsel shall timely make, or cause to be made, such elections as necessary or advisable to carry out the provisions of this paragraph, including, as necessary, making a "relation-back election" (as defined in Treas. Reg. § 1.468B-1) to cause the qualified settlement fund to come into existence at the earliest permitted date. Such election shall be made in compliance with the procedures and

requirements contained in such regulations. It shall be the responsibility of Plaintiffs' Counsel to timely and properly prepare and deliver, or cause to be prepared and delivered, the necessary documentation for signature by all necessary parties, and thereafter take all such actions as may be necessary or appropriate to cause the appropriate filing to occur.

(a) For the purposes of Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg. § 1.468B promulgated thereunder, the "administrator" shall be Plaintiffs' Counsel or their successors, who shall timely and properly file, or cause to be filed, all informational and other tax returns necessary or advisable with respect to the Settlement Fund (including without limitation the returns described in Treas. Reg. § 1.468B-2(k)). Such returns (as well as the election described above) shall be consistent with this subparagraph and in all events shall reflect that all taxes (including any estimated taxes, interest, or penalties) on the income earned on the funds deposited in the Escrow Account shall be paid out of such funds as provided in subparagraph (c) hereof.

(b) All Taxes shall be paid solely out of the Escrow Account. In all events, the Released Defendant Parties and Settling Defendants' Counsel shall have no liability or responsibility whatsoever for the Taxes or the filing of any tax returns or other documents with the Internal Revenue Service or any other state or local taxing authority. In the event any Taxes are owed by any of the Released Defendant Parties on any interest earned on the funds on deposit in the Escrow Account, such amounts shall also be paid out of the Escrow Account. The Settling Parties agree that the Released Defendant Parties shall be entitled to reimbursement for any Taxes, which shall also be paid out of the Escrow Account. Any taxes or tax expenses owed on any interest earned on the Settlement Amount prior to its transfer to the Escrow Account shall be the sole responsibility of the Funding Defendants.

(c) Taxes shall be treated as, and considered to be, a cost of administration of the Settlement and shall be timely paid, or caused to be paid, by Plaintiffs' Counsel out of the Escrow Account without prior order from the Court, and Plaintiffs' Counsel shall be obligated (notwithstanding anything herein to the contrary) to withhold from distribution to Authorized Claimants any funds necessary to pay such amounts (as well as any amounts that may be required to be withheld under Treas. Reg. § 1.468B-2(1)(2)). The Settling Parties agree to cooperate with Plaintiffs' Counsel, each other, and their tax attorneys and accountants to the extent reasonably necessary to carry out the provisions of this paragraph.

13. This is not a claims-made settlement. Unless the Settlement is terminated after the Effective Date pursuant to ¶42, as of the Effective Date, neither Settling Defendants, nor any person or entity making payments on their behalf, shall have any right to the return of the Settlement Fund or any portion thereof for any reason.

ATTORNEYS' FEES AND EXPENSES

14. Plaintiffs' Counsel will apply to the Court for an award from the Settlement Fund: of (i) attorneys' fees; and (ii) reimbursement of litigation expenses incurred in prosecuting the Litigation, plus any interest on such amounts at the same rate and for the same periods as earned by the Settlement Fund ("Fee and Expense Application"). The Settling Defendants will not oppose the Fee and Expense Application.

15. The amount of attorneys' fees and expenses awarded by the Court is within the sole discretion of the Court. Any attorneys' fees and expenses awarded by the Court shall be paid from the Settlement Fund to Plaintiffs' Counsel immediately after entry of the Order awarding such attorneys' fees and expenses, notwithstanding the existence of any timely filed

objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to the obligations of Plaintiffs' Counsel pursuant to paragraph 16.

16. Any payment of attorneys' fees and litigation expenses pursuant to paragraph 15 above shall be subject to Plaintiffs' Counsel's obligation to make refunds or repayments to the Settlement Fund of any paid amounts, plus accrued interest at the same rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or litigation expenses is reduced or reversed by final non-appealable court order. Plaintiffs' Counsel shall make the appropriate refund or repayment in full no later than ten (10) business days after receiving notice from a court of appropriate jurisdiction of the termination of the Settlement or notice of any reduction of the award of attorneys' fees and/or litigation expenses by final non-appealable court order. Lead Plaintiffs and Plaintiffs' Counsel may not cancel or terminate the Stipulation or the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or litigation expenses.

17. With the sole exception of the Funding Defendants securing payment into the Escrow Account as provided for in ¶7, the Released Defendant Parties shall have no responsibility for, and no liability whatsoever with respect to, any payment to Plaintiffs' Counsel or any other plaintiffs' counsel that may occur at any time.

18. The Released Defendant Parties shall have no responsibility for, and no liability whatsoever with respect to, the allocation of any attorneys' fees or expenses among any plaintiffs' counsel, or any other Person who may assert some claim thereto, or any fee or expense awards the Court may make in the Litigation.

19. The Released Defendant Parties shall have no responsibility for, and no liability whatsoever with respect to, any attorneys' fees, costs, or expenses incurred by or on behalf of the Class Members, whether or not paid from the Escrow Account.

20. The procedure for and the allowance or disallowance by the Court of any Fee and Expense Application are not necessary terms of the Settlement set forth in this Stipulation, and are separate from the Court's consideration of the fairness, reasonableness and adequacy of the Settlement set forth in the Stipulation. Any order or proceeding relating to any Fee and Expense Application, including an award of attorneys' fees in an amount less than the amount requested by Plaintiffs' Counsel, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate or cancel the Stipulation, or affect or delay the finality of the Judgment approving the Stipulation and the Settlement set forth herein, including, but not limited to, the release, discharge, and relinquishment of the Released Claims against the Released Defendant Parties, or any other orders entered pursuant to the Stipulation.

ADMINISTRATION EXPENSES

21. Except as otherwise provided herein, the Settlement Fund shall remain in escrow pending: (i) final approval of the Settlement by the Court, (ii) the expiration of all rights of appeal of the Judgment; and (iii) the final denial of any and all appeals or objections or collateral attacks or challenges to the Settlement.

22. Prior to the Effective Date, without further approval from the Settling Defendants or further order of the Court, Plaintiffs' Counsel may expend up to \$500,000 from the Settlement Fund to pay the Notice and Administration Expenses actually incurred. Such costs and expenses shall include, without limitation, the actual costs of publication, printing and mailing the Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the

administrative expenses incurred and fees charged by the Claims Administrator in connection with providing Notice and processing the submitted claims, and the fees, if any, related to the Escrow Account and the investment of the Settlement Fund. In the event that the Settlement does not receive final approval, Plaintiffs' Counsel shall have no obligation to refund to Defendants costs and expenses actually paid or incurred under this paragraph. After the Effective Date, without further approval of the Settling Defendants or further order of the Court, Notice and Administration Expenses may be paid as incurred.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

23. Plaintiffs' Counsel will apply to the Court for a Distribution Order, on notice to Settling Defendants' Counsel, approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the claims submitted herein, and, if the Effective Date has occurred, directing the payment of the Net Settlement Fund to Authorized Claimants.

24. The Claims Administrator shall administer the Settlement under Plaintiffs' Counsel's supervision and subject to the jurisdiction of the Court. Except as stated in ¶¶7 and 28 hereof, the Released Defendant Parties and Settling Defendants' Counsel shall have no responsibility for, interest in, or liability whatsoever with respect to the administration of the Settlement or the actions or decisions of the Claims Administrator, and shall have no liability to the Class in connection with such administration.

25. The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Loss, as defined in the Plan of Allocation of Net Settlement Fund (the "Plan of Allocation") included in the Notice, or in such other plan of allocation as the Court may approve.

26. The Settling Defendants will take no position with respect to the Plan of Allocation. The Plan of Allocation is a matter separate and apart from the proposed Settlement between Lead Plaintiffs and the Settling Defendants, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation is not a necessary term of this Stipulation and it is not a condition of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Plaintiffs' Counsel may not cancel or terminate the Stipulation or the Settlement in accordance with ¶38 or otherwise based on the Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in the Litigation. The Released Defendant Parties and Settling Defendants' Counsel shall have no responsibility or liability for reviewing or challenging claims, the allocation of the Net Settlement Fund, or the distribution of the Net Settlement Fund.

ADMINISTRATION OF THE SETTLEMENT

27. Any member of the Class who fails to timely submit a valid Proof of Claim (substantially in the form of Exhibit A-2 to Exhibit A hereto) will not be entitled to receive any of the proceeds from the Net Settlement Fund, except as otherwise ordered by the Court, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Litigation and the releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Defendant Party concerning any Released Claim, whether or not such Class Member has filed an objection to the Settlement, the proposed Plan of Allocation, or any Fee and Expense Application by Plaintiffs' Counsel.

28. Plaintiffs' Counsel shall be responsible for supervising the administration of the Settlement and disbursement of the Net Settlement Fund by the Claims Administrator. Plaintiffs' Counsel shall have the right, but not the obligation, to advise the Claims Administrator to waive what Plaintiffs' Counsel deem to be *de minimis* or formal or technical defects in any Proofs of Claim submitted. For the purpose of identifying and providing notice to the Class, within five (5) business days after the date of entry of the Preliminary Approval Order MF Global shall provide to Plaintiffs' Counsel, or the Claims Administrator, at no cost, a list in electronic searchable form of the names and last known addresses of the Persons, who can be identified with reasonable effort, who purchased MF Global common stock pursuant to or traceable to MF Global's IPO, as set forth on the books and records maintained by MF Global or its transfer agent. Except for MF Global's obligations arising under ¶7 and MF Global's obligation to produce the list described in this paragraph, the Released Defendant Parties and Settling Defendants' Counsel shall have no liability, obligation or responsibility for the administration of the Settlement, the allocation of the Net Settlement Fund or reviewing or challenging of claims of members of the Class. Plaintiffs' Counsel shall be solely responsible for designating the Claims Administrator, subject to approval by the Court.

29. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

- a. Each Class Member shall be required to submit a Claim Form, substantially in the form attached hereto as Exhibit A-2 to Exhibit A, supported by such documents as are designated therein, including proof of the claimant's loss, or such other documents or proof as the Claims Administrator or Plaintiffs' Counsel, in their discretion, may deem acceptable;

b. All Claim Forms must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice, unless such deadline is extended by Lead Counsel in their discretion, or by Order of the Court. Any Class Member who fails to submit a Claim Form by such date shall be barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless, by Order of the Court or the discretion of Lead Counsel, late-filed Claim Forms are accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Litigation and the releases provided for herein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Party concerning any Released Claim or Released Defendants' Claims, whether or not such Class Member has filed an objection to the Settlement, the proposed Plan of Allocation, or any Fee and Expense Application by Plaintiffs' Counsel. Provided that it is received before the motion for the Distribution Order is filed, a Claim Form shall be deemed to be submitted when mailed, if received with a postmark on the envelope and if mailed by first-class or overnight U.S. Mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted when actually received by the Claims Administrator;

c. Each Claim Form shall be submitted to and reviewed by the Claims Administrator, under the supervision of Plaintiffs' Counsel, who shall determine in accordance with this Stipulation the extent, if any, to which each claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below;

d. Claim Forms that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the claimant in writing to give the claimant the chance to remedy any curable deficiencies in the Claim Form submitted. The Claims Administrator, under supervision of Plaintiffs' Counsel, shall notify, in a timely fashion and in writing, all claimants whose claims the Claims Administrator proposes to reject in whole or in part for curable deficiencies, setting forth the reasons therefor, and shall indicate in such notice that the claimant whose claim is to be rejected has the right to a review by the Court if the claimant so desires and complies with the requirements of subparagraph (e) below;

e. If any claimant whose claim has been rejected in whole or in part desires to contest such rejection, the claimant must, within twenty (20) calendar days after the date of mailing of the notice required in subparagraph (d) above, serve upon the Claims Administrator a notice and statement of reasons indicating the claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Plaintiffs' Counsel shall thereafter present the request for review to the Court; and

f. The administrative determinations of the Claims Administrator accepting and rejecting disputed claims shall be presented to the Court, on notice to Settling Defendants' Counsel, for approval by the Court in the Distribution Order.

30. Each claimant who submits a Proof of Claim form shall be deemed to have submitted to the jurisdiction of the Court with respect to the claimant's claim, and the claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided

that such investigation and discovery shall be limited to the claimant's status as a Class Member and the validity and amount of the claimant's claim. In connection with processing the Proofs of Claim, no discovery shall be allowed on the merits of the Litigation or the Settlement.

31. Payment pursuant to the Distribution Order shall be final and conclusive against all Class Members. Any Class Member whose claims are not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment to be entered in the Litigation and the releases provided for herein, and will be permanently barred and enjoined from bringing any action against any Released Defendant Party concerning any Released Claim, whether or not such Class Member has filed an objection to the Settlement, the proposed Plan of Allocation, or any Fee and Expense Application by Plaintiffs' Counsel.

32. All proceedings with respect to the administration, processing and determination of claims described by ¶¶23 through 34 of this Stipulation and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of claims, shall be subject to the jurisdiction of the Court, but shall not in any event delay or affect the finality of the Judgment.

33. No Person shall have any claim of any kind against the Released Defendant Parties or their counsel with respect to the matters set forth in this Section or any of its subsections.

34. No Person shall have any claim against the Lead Plaintiffs or their counsel (including Plaintiffs' Counsel), or the Claims Administrator, or other agent designated by Plaintiffs' Counsel, based on the distributions made substantially in accordance with this

Stipulation and the Settlement contained herein, the Plan of Allocation, or further order(s) of the Court.

TERMS OF THE PRELIMINARY APPROVAL ORDER

35. Concurrently with their application for preliminary Court approval of the Settlement contemplated by this Stipulation and promptly after execution of this Stipulation, Lead Counsel and Settling Defendants' Counsel shall jointly apply to the Court for entry of the Preliminary Approval Order, which shall be substantially in the form annexed hereto as Exhibit A. The Preliminary Approval Order will, *inter alia*, set the date for the Settlement Hearing and prescribe the method for giving notice of the Settlement to the Class.

TERMS OF THE JUDGMENT

36. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Settling Defendants' Counsel shall jointly request that the Court enter a Judgment substantially in the form annexed hereto as Exhibit B.

EFFECTIVE DATE OF SETTLEMENT, WAIVER OR TERMINATION

37. The Effective Date of this Settlement shall be the date when all of the following shall have occurred:

- (a) entry of the Preliminary Approval Order, which shall be in all material respects substantially in the form set forth in Exhibit A annexed hereto;
- (b) payment of the Settlement Amount into the Escrow Account;
- (c) approval by the Court of the Settlement, following notice to the Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure; and

(d) a Judgment, which shall be in all material respects substantially in the form of the Proposed Judgment, has been entered by the Court and has become Final; or in the event a Judgment is entered that is not substantially in the form of the Proposed Judgment has been entered (i) none of the parties elects to terminate the Settlement by reason of such variance from the Proposed Judgment, and (ii) the Judgment becomes Final.

38. Each Settling Party shall have the right to terminate the Settlement and this Stipulation by providing written notice of its election to do so, to all other Settling Parties hereto within thirty (30) calendar days of: (a) the Court's final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court's final refusal to approve this Stipulation or any material part of it; (c) the Court's final refusal to enter the Proposed Judgment in any material respect (with the understanding that those parts that pertain to the Plan of Allocation or the award of attorneys' fees and expenses are not material for this purpose); or (d) the date upon which the Judgment is modified or reversed in any material respect by the United States Court of Appeals or the Supreme Court of the United States (with the understanding that those parts that pertain to the Plan of Allocation or the award of attorneys' fees and expenses are not material for this purpose).

39. Simultaneously herewith, Settling Defendants' Counsel and Plaintiffs' Counsel are executing a Supplemental Agreement Regarding Requests for Exclusion ("Supplemental Agreement"). The Supplemental Agreement sets forth certain conditions under which MF Global and Man Group shall each have the option, in its sole, absolute and unqualified discretion, to terminate the Settlement and render this Stipulation null and void in the event that requests for exclusion from the Class exceed certain agreed-upon criteria (the "Opt-Out Threshold"). The Settling Parties agree to maintain the confidentiality of the Opt-Out Threshold

in the Supplemental Agreement, which shall not be filed with the Court unless a dispute arises as to its terms, or as otherwise ordered by the Court, nor shall the Supplemental Agreement otherwise be disclosed unless required by the Court. If submission of the Supplemental Agreement is required for resolution of a dispute or is otherwise ordered by the Court, the Settling Parties will undertake to have the Opt-Out Threshold submitted to the Court *in camera*.

40. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect, with the exception of the provisions of ¶45 which shall continue to apply.

41. Lead Plaintiffs and the Funding Defendants shall have the option and right, each in its sole, absolute and unqualified discretion, to terminate the Settlement in the event that the entire Settlement Amount is not paid into the Escrow Account by the deadline contained in ¶7 above. Any Lead Plaintiff or Funding Defendant that wishes to terminate the Settlement pursuant to this paragraph must provide written notice of its intent to terminate to all other Settling Parties to this Stipulation within ten (10) calendar days after the expiration of this deadline; if, thereafter, the Funding Defendants fail to pay or cause to be paid any unpaid portion of the Settlement Amount (along with interest at the New York statutory rate for the time passed after the expiration of the deadline), within fourteen (14) calendar days of the Settling Defendants' receipt of such written notice, the Settlement shall be deemed terminated.

42. If any portion of the Settlement Amount is required, by judicial order, government directive or otherwise by operation of law, to be to be returned or refunded from the Escrow Account and is in fact returned or refunded from the Escrow Account before the Distribution Order is entered and before any funds from the Net Settlement Fund are distributed to the Class, Lead Plaintiffs and the Funding Defendants shall have the option and right, each in its sole,

absolute and unqualified discretion, to terminate the Settlement. Any Lead Plaintiff or Funding Defendant that wishes to terminate the Settlement pursuant to this paragraph must provide written notice of its intent to terminate to all other Settling Parties to this Stipulation within ten (10) calendar days after such portion of the Settlement Amount is returned or refunded from the Escrow Account; if, thereafter, the Funding Defendants fail to pay or cause to be paid any returned or refunded portion of the Settlement Amount, with statutory interest, within fourteen (14) calendar days of the Settling Defendants' receipt of such written notice, the Settlement shall be deemed terminated. If any Lead Plaintiff or Funding Defendant terminates the Settlement pursuant to this paragraph after the Effective Date has passed, it may seek to give effect to the termination by, among other things, making a post-judgment motion or otherwise seeking extraordinary relief to terminate the Settlement, vacate any Judgment and reinstate the Litigation.

43. If an option to withdraw from and terminate this Stipulation and Settlement arises under any of ¶¶38, 39, 41 or 42 above: (i) neither the Settling Defendants nor Lead Plaintiffs will be required for any reason or under any circumstance to exercise that option; and (ii) any exercise of that option shall be in the sole and unfettered discretion of each of the Settling Defendants or Lead Plaintiffs, as applicable.

44. Except as otherwise provided herein, in the event the Settlement is terminated or fails to become effective for any reason, then: the Settlement shall be without prejudice, and none of its terms, including, but not limited to, the certification of the Class, shall be effective or enforceable except as specifically provided herein; the Settling Parties to this Stipulation shall be deemed to have reverted to their respective litigation positions in the Litigation immediately prior to their acceptance of the mediator's recommendation; any portion of the Settlement Amount previously paid shall be returned pursuant to ¶45, and, except as otherwise expressly

provided, the Settling Parties in the Litigation shall proceed in all respects as if this Stipulation and any related orders had not been entered. In such event, the fact and terms of the mediator's recommendation, this Stipulation or any aspect of the negotiations leading to this Stipulation, shall not be admissible in this Litigation and shall not be used by any Lead Plaintiff against any Settling Defendant or by any Settling Defendant against any Lead Plaintiff in any court filings, depositions, at trial or otherwise.

45. Within ten (10) business days after the Escrow Agent is sent written notification that the Settlement failed to become effective as defined herein or was terminated pursuant to the provisions of ¶¶38, 39, 41 or 42 above, any portion of the Settlement Amount previously paid by or on behalf of the Settling Defendants, together with any interest earned thereon, less any Taxes paid or due, less Notice and Administration Expenses actually incurred and paid or payable from the Settlement Amount shall be returned by the Escrow Agent to the Funding Defendants or the persons or entities who contributed these funds on their behalf on a *pro rata* basis based on each person or entity's contribution actually paid into the Escrow Account. For purposes of the Escrow Agent calculating the amounts to be refunded under the circumstances addressed in this paragraph, interest, Taxes and Notice and Administration Expenses shall be attributed *pro rata* based on the amounts paid into the Settlement Fund, except that any interest, Taxes and Notice and Administration Expenses attributed to MF Global's insurers shall be allocated amongst the insurers as set forth in the Settlement Agreement and Release entered into between MF Global, the Individual Defendants and these insurers (the "MF Global Insurer Agreement"). At the request of counsel to any party who contributed funds to the Escrow Account, the Escrow Agent or its designee shall apply for any tax refund owed on the amounts in the Escrow Account and pay the proceeds, after any deduction of any fees or expenses incurred in connection with such

application(s), for refund to the persons or entities who contributed funds to the Escrow Account on a *pro rata* basis based on their contributions actually paid into the Escrow Account, except that any refund for Taxes paid by or due from the MF Global insurers shall be paid to the MF Global insurer(s) obliged to cover those Taxes under the MF Global Insurer Agreement. Instructions as to the proper allocation of any interest, Taxes and Notice and Administration Expenses, as well as any tax refund proceeds, amongst the MF Global insurers pursuant to the MF Global Insurer Agreement shall be communicated to Plaintiffs' Counsel in a writing signed by counsel for MF Global, and Plaintiffs' Counsel, the Escrow Agent and its designees may rely upon the instructions provided.

NO ADMISSION OF WRONGDOING

46. Except as set forth in ¶47 below, this Stipulation, whether or not consummated, and any negotiations, proceedings or agreements relating to the Stipulation, the Settlement, and any matters arising in connection with settlement negotiations, proceedings, or agreements, shall not be offered or received against the Released Parties for any purpose, and in particular:

(a) do not constitute, and shall not be offered or received against the Released Defendant Parties as evidence of, or construed as, or deemed to be evidence of any presumption, concession or admission by the Released Defendant Parties with respect to the truth of any fact alleged by Lead Plaintiffs and the Class or the validity of any claim that has been or could have been asserted in the Litigation or in any litigation or other proceeding, including but not limited to the Released Claims, or of any liability, damages, negligence, fault or wrongdoing of the Released Defendant Parties;

(b) do not constitute, and shall not be offered or received against the Released Defendant Parties as evidence of a presumption, concession or admission of any fault,

misrepresentation or omission with respect to any statement or written document approved or made by the Released Defendant Parties, or against the Released Defendant Parties, Lead Plaintiffs or any other members of the Class as evidence of any infirmity in the claims or defenses that have been or could have been asserted in the Litigation;

(c) do not constitute, and shall not be offered or received against the Released Parties, as evidence of a presumption, concession or admission with respect to any liability, damages, negligence, fault, infirmity or wrongdoing, or in any way referred to for any other reason against any of the Released Parties, in any other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(d) do not constitute, and shall not be construed against the Released Parties, as an admission or concession that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial;

(e) do not constitute, and shall not be construed as or received in evidence as, an admission, concession or presumption against Lead Plaintiffs or any other members of the Class or any of them that any of their claims are without merit or infirm, that a Class should not be certified, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount.

47. The Released Parties may file or refer to this Stipulation, the Judgment, and/or any Claim Form submitted by a Class Member (i) to effectuate the liability protection granted hereunder, including, without limitation, to support a defense or counterclaim based on principles of *res judicata*, *collateral estoppel*, release, good-faith settlement, judgment bar or reduction, or any theory of claim preclusion or issue preclusion or similar defense or

counterclaim; or (ii) to effectuate the liability protection granted them under any applicable insurance policies. The Released Parties may file or refer to this Stipulation and/or the Judgment in any action that may be brought to enforce the terms of this Stipulation and/or the Judgment. All Released Parties submit to the jurisdiction of the Court for purposes of implementing and enforcing the Settlement.

MISCELLANEOUS PROVISIONS

48. All of the exhibits to the Stipulation, except any Plan of Allocation, to the extent incorporated in those exhibits, are material and integral parts hereof and are fully incorporated herein by this reference.

49. Each Funding Defendant warrants on behalf of itself that, to its knowledge, at the time that the Funding Defendant will make or cause to be made payment pursuant to ¶7 above, the Funding Defendant will not be insolvent, nor will the payment required to be made by or on behalf of the Funding Defendant render that Funding Defendant insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof, or any applicable fraudulent transfer or conveyance law.

50. The Settling Parties to this Stipulation intend the Settlement of the Litigation to be the full, final and complete resolution of all claims asserted or which could have been asserted by the Settling Parties and other Released Parties with respect to the Released Claims and Released Defendants' Claims. Accordingly, Lead Plaintiffs and the Settling Defendants agree not to assert in any forum or tribunal that the Litigation was brought, prosecuted or defended in bad faith or without a reasonable basis. The Settling Parties agree that at all times each has complied fully with Rule 11 of the Federal Rules of Civil Procedure in connection with the maintenance, prosecution, defense and settlement of the Litigation. The Settling Defendants and Lead

Plaintiffs agree that the amount paid and the other terms of the Settlement were negotiated at arm's length in good faith by the Settling Defendants and Lead Plaintiffs, and their respective counsel, and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with experienced legal counsel.

51. This Stipulation may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Settling Parties hereto or their successors. Without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any of the provisions of this Stipulation.

52. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

53. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of, *inter alia*, entering orders providing for awards of attorneys' fees and any expenses, awarding reimbursement to the Lead Plaintiffs for their reasonable costs and expenses (including lost wages), and implementing and enforcing the terms of this Stipulation, including, but not limited to, administration of the Settlement, distribution of the Settlement Fund, and enforcement of the releases provided for herein.

54. Unless ordered by a Court or other tribunal, no Settling Party, its insurers or reinsurers, or any of their respective counsel shall disseminate, refer to, or otherwise distribute to any third party any information or documents they obtained from another Settling Party in connection with the Settlement, including the mediation and negotiations resulting in this Stipulation, except as necessary in connection with this Stipulation or Court approval of the Settlement, or as the Settling Parties may otherwise agree, or as may be required by applicable

securities or other law, including, without limitation, any freedom of information, open records or “sunshine” statute or similar regulation or common law. All agreements made and orders entered during the course of the Litigation relating to the confidentiality of information shall survive this Stipulation.

55. The waiver by one Settling Party of any breach of this Stipulation by any other Settling Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

56. This Stipulation, its exhibits and the Supplemental Agreement constitute the entire agreement among the Settling Parties hereto concerning the Settlement of the Litigation, and no representations, warranties, or inducements have been made by any party hereto concerning this Stipulation and its exhibits other than those contained and memorialized in such documents.

57. Nothing in the Stipulation, or the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection, nor shall it constitute an agreement that such privilege or immunity exists or is applicable here.

58. This Stipulation may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Settling Parties to this Stipulation shall exchange among themselves original signed counterparts. Signatures sent by facsimile or in PDF format sent by e-mail shall be deemed originals.

59. This Stipulation shall be binding when signed, but the Settlement shall be effective only on the condition that the Effective Date occurs.

60. This Stipulation shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties hereto.

61. The construction, interpretation, operation, effect and validity of this Stipulation, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of New York without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

62. This Stipulation shall not be construed more strictly against one Settling Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations among the Settling Parties, and all Settling Parties have contributed substantially and materially to the preparation of this Stipulation.

63. Plaintiffs' Counsel, on behalf of the Class Members, warrants and represents that it is expressly authorized by Lead Plaintiffs to take all appropriate action required or permitted to be taken by the Class Members pursuant to the Stipulation to effectuate its terms and also is expressly authorized by Lead Plaintiffs to enter into any modifications or amendments to the Stipulation on behalf of the Class Members that it deems appropriate.

64. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related settlement documents, warrant and represent that they have the full authority to do so, and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

65. Plaintiffs' Counsel and Settling Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order, the Stipulation and the Settlement and in consummating the Settlement in accordance with its terms, and to promptly

agree upon and execute all such other documentation as reasonably may be required to obtain final approval by the Court of the Settlement.

66. Other than disclosures required by law, the Settling Parties will not make public statements that substantially deviate from the following: reporting the amount and terms of the Settlement; reporting that the Settling Parties have reached a mutually acceptable resolution of the Litigation by way of a mediated settlement that will avoid protracted and expensive litigation; and reporting that the Settling Parties are satisfied with the resolution.

67. Except as otherwise provided herein, each party shall bear its own costs.

IN WITNESS WHEREOF, the Settling Parties hereto have caused this Stipulation to be executed, by their duly authorized attorneys, as of August 5, 2011.

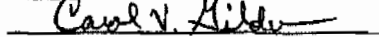
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