



Promontory Financial Group

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MF Global, Inc. CFTC Order Review

Presentation to Audit Committee of the Board of Directors

May 26, 2010



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Nature and Scope of the Review

- * From January 4, 2010 to April 7, 2010, Promontory conducted a review of matters related to the Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, as amended, ("CEA") Making Findings and Imposing Remedial Sanctions issued by the Commodity Futures Trading Commission (the "Commission" or "CFTC") dated December 17, 2009 (the "Order"). *(Attached as Appendix A is a list of the Promontory Team Members who conducted the review.)*
- * As part of this review, Promontory assessed MF Global's internal controls related to compliance, risk management processes, IT infrastructure, and corporate governance, in order to assess compliance with the Order.
- * Promontory had wide access to internal reports, policies and procedures, specialized presentations, and other internal documents. *(Attached as Appendix B is a list of the Documents Reviewed.)*
- * Promontory conducted 43 interviews with senior executives, heads of control units, and other professionals at MF Global. *(Attached as Appendix C is a list of the MF Global Individuals Interviewed.)*

Overall Assessment

- MF Global has undertaken a strategic re-organization of the firm that better aligns its risk management and compliance program, internal controls and governance framework with its global organization and goals.
- MF Global has allocated substantial resources to enhance its internal controls, risk management processes, and governance framework.
- Senior management of MF Global has set a “tone at the top” that supports a best practice enterprise-wide risk management framework and compliance culture.
- MF Global has introduced discipline around project management through the creation of a Project Management Office to promote internal transparency, prioritization of efforts, and effective execution.
- Policies and procedures have been established or re-written to reflect best practices; robust training modules have been implemented; and IT systems are being enhanced to support senior management’s vision of a globally-integrated enterprise-wide risk management framework.
- While many initiatives are in still in progress and additional enhancements of controls are planned, the devotion of resources and the development of an organizational framework to support these enhancements have been substantial.

Key Risk Management and Control Enhancements

- **Organizational Structure**

The new organizational structure (enhanced by the high quality of the new senior hires) has allowed MF Global to establish a governance and risk management framework that is better-tailored to an organization of its size, complexity (in terms of products) and geographic presence.

- **Enterprise Risk Management**

MF Global has established an effective enterprise-wide risk management program, including an operational risk management framework. Under the Global Chief Risk Officer, risk functions are more closely integrated and coordinated within regions and across the firm. Common tools, procedures, and escalation protocols reduce operational risk, and improved communications promote sharper focus across risk issues.

- **Operational Risk Management**

The New Business Initiatives Policy and Procedural Framework and the Project Governance Model provide senior management, business leaders and representatives of each risk discipline and control group with forums to discuss and approve all new business initiatives, products and projects.

- **Market Risk Management**

The market risk framework, the expertise of market risk staff, the analytical tools employed by the Market Risk Department, and market risk monitoring are greatly improved. A new global approach to market risk issues, with clear accountability, incorporate tactical solutions in a strategic framework resulting in common understanding of priorities and direction.

- **Supervisory Training**

Supervisory training has been enhanced, is more thorough, and informs branch managers and supervisors of their general responsibilities and their day-to-day tasks.

Key Risk Management and Control Enhancements *(continued)*

* Compliance Training

MF Global has enhanced its compliance training program by creating a formal and comprehensive compliance training module that is provided to staff at least annually. This training program, developed by the Compliance Education Group, is primarily administered through live training seminars and interactive sessions on MF Global's Global Exchange intranet system. MF Global's Learning Management Systems are being enhanced through the Compliance Department's contract with SAI Global to provide automatic reporting functionality.

* Compliance Assurance for GIBs

MF Global undertook a substantial effort to inventory and review all Guaranteed Introducing Broker ("GIB") relationships and has enhanced its review of GIBs by establishing a formal Compliance Assurance process.

* Technology Enhancements

- MF Global established a more complete and fully-developed technology team, starting with the hiring of a dedicated Chief Information Officer ("CIO"). The CIO has re-organized the IT Department into five global functions with three regional CIOs.
- Policies and procedures concerning the technology life-cycle, technology change control, technology development and other IT-related disciplines have been enhanced and documented.
- MF Global developed a global technology strategy which has been socialized and accepted by technology personnel. Long-term technology initiatives adhere to the technology strategy. Short-term interim technology solutions will be replaced as strategic solutions are implemented.

Key Risk Management and Control Enhancements *(continued)*

- **Pre-Employment Screening**

MF Global has enhanced its pre-employment screening by assigning responsibility to Compliance and Human Resources for pre-employment due diligence and retaining a third-party vendor to conduct finger printing, background checks (credit and criminal records), and pre-employment drug testing. The current pre-hire screening process performed by Compliance includes searches of databases maintained by the following entities:

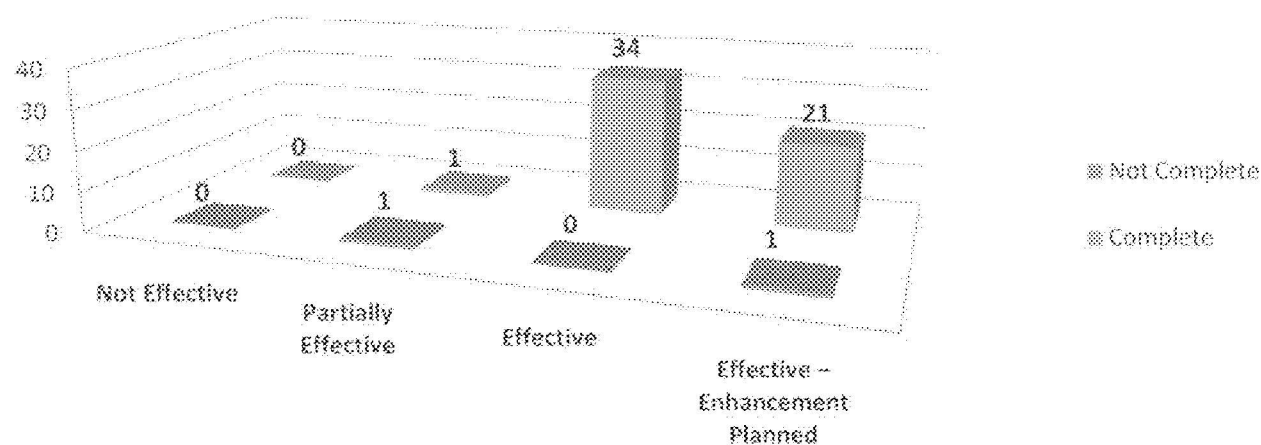
- FINRA
- NFA
- Compliance Data Center
- World-Check
- Equifax

Any issues that arise as a result of this pre-hire screening are brought to the attention of the appropriate Human Resources representative for review.

Chart: Assessment of MF Global's Adoption of Promontory's Recommendations and CFTC Undertakings

Attached as Appendix D is the list of the CFTC undertakings and Promontory recommendations and Promontory's assessments of (i) the status of compliance with, or implementation of, each undertaking and recommendation and (ii) the effectiveness of such compliance or implementation. The following chart provides a graphic depiction of Promontory's assessments:

Breakdown of Undertaking/Recommendation Assessment



| Assessment of Completely Implemented Undertakings/Recommendations | | Count |
|---|--|-----------|
| Not Effective | | 0 |
| Partially Effective | | 1 |
| Effective | | 34 |
| Effective – Enhancement Planned | | 21 |
| Total Complete | | 56 |
| Assessment of Not Completely Implemented Undertakings/Recommendations | | Count |
| Not Effective | | 0 |
| Partially Effective | | 1 |
| Effective | | 0 |
| Effective – Enhancement Planned | | 1 |
| Total Not Complete | | 2 |

Assessment Definitions

| | |
|---|---|
| (E-EP) Effective-Enhancement Planned | MF Global's implementation mitigates or addresses the risks or concerns underlying the undertaking or recommendation; however, further enhancements to its policies, procedures, systems or staffing are either currently being implemented or are planned to be implemented in the future. |
| (E) Effective | MF Global's implementation substantially mitigates or addresses the risks or concerns underlying the undertaking or recommendation. |
| (PE) Partially Effective | MF Global's implementation does not substantially mitigate or address the risks or concerns underlying the undertaking or recommendation. |
| (NE) Not Effective | MF Global's policies, procedures, or systems do not mitigate or address the risk or concerns underlying the undertaking or recommendation. |

Conclusions

- MF Global has, for the most part, successfully and effectively implemented both the Promontory recommendations and the CFTC undertakings and established a robust enterprise-wide risk management and compliance program and internal controls framework.
- The implementation of some of the CFTC undertakings and Promontory recommendations are, appropriately, works in progress and MF Global either is in the process of implementing, or has plans for, further enhancement.
- MF Global must continue to develop, implement, and articulate a compensation plan and framework that fully complies with the CFTC undertaking “n” and addresses Promontory recommendation 39.
- While MF Global’s Credit Risk Procedural Framework and Market Risk Procedural Framework are thorough and functional, MF Global should make a concerted effort to complete this documents by adding missing material, primarily in appendices, including hyperlinks to other policy or procedural documents, information tables, templates and sample reports.
- Promontory has provided MF Global with two additional recommendations intended to enhance its risk monitoring processes and it’s technology infrastructure. *(Attached as Appendix E are Promontory’s Additional Recommendations.)*



Promontory Financial Group

Appendices




Appendix A: MF Global, Inc ~ Promontory Team Members

| NAME | TITLE |
|--------|-------------------------|
| (b)(6) | Chief Executive Officer |
| | Managing Director |
| | Managing Director |
| | Managing Director |
| | Senior Principal |
| | Consultant |
| | Analyst |
| | Analyst |

Appendix B: MF Global, Inc. - Documents Reviewed

| # | Document | Subject |
|----|---|------------------------------|
| 1 | CME Hearing Packet | Regulatory History |
| 2 | New Business Initiatives Policy and Procedural Framework | COO |
| 3 | Global New Business Initiative Committee Documentation | COO |
| 4 | MFG Mitigation Strategy and Status sheets for Promontory Recommendations | Corporate Management Officer |
| 5 | Memorandum re Promontory Recommendation 36 from   | Internal Audit |
| 6 | M&A Governance Document | Strategy |
| 7 | M&A Process Overview | Strategy |
| 8 | New Account Opening Policy Framework | Client Solutions |
| 9 | Risk Training | Risk |
| 10 | Risk & Compliance Training | Risk and Compliance |
| 11 | Supervisory Compliance Training | Compliance |
| 12 | Enterprise Risk Management Escalation Policy | Risk |
| 13 | Employee Trading Policy | Compliance |
| 14 | Employee Trading Policy, Procedures, and Procedures Overview | Compliance |
| 15 | Compliance Communication re Employee Trading Policy | Compliance |
| 16 | Designated Persons List | Compliance |
| 17 | Branch Office Compliance Assurance Review Form | Compliance |
| 18 | Compliance Communication re Compliance Communication and Policy Development Processes | Compliance |
| 19 | Compliance Communications Manager Position Description | Compliance |

Appendix B: MF Global, Inc. - Documents Reviewed

| # | Document | Subject |
|----|--|------------|
| 20 | Future Compliance and Supervisory Procedures Manual | Compliance |
| 21 | Comprehensive Risk / Credit / Margin Policies and Procedures | Risk |
| 22 | CME Globex Supervisory Procedures and Compliance Manual | Compliance |
| 23 | Introducing Broker Relationship Checklist | Compliance |
| 24 | Introducing Broker Questionnaire | Compliance |
| 25 | Account Execution Questionnaire | Compliance |
| 26 | Enterprise Risk Policy | Risk |
| 27 | Risk Organizational Charts (November 2009) | Risk |
| 28 |  Promontory Update | Misc |
| 29 | MPG Promontory Enterprise Risk Management Presentation | Risk |
| 30 | MPG Promontory Risk Monitoring Presentation | Risk |
| 31 | MP Global IT Overview Promontory Kick Off | IT |
| 32 | HR Overview: Promontory Review Meeting | HR |
| 33 | Compliance Overview | Compliance |
| 34 | Global IT Organizational Charts | IT |
| 35 | IT General Controls Presentation | IT |
| 36 | Quality Assurance Framework | IT |
| 37 | Quality Assurance Implementation Roadmap and Plan | IT |
| 38 | Enabling Strategic Architecture: Enterprise Architecture Vision & Principles Presentation | IT |
| 39 | Multi Asset Trading Platform (Request for Proposal Data) Presentation | IT |
| 40 | Enterprise Roadmap Data Governance Presentation | IT |

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| # | Document | Subject |
|----|---|---------------------|
| 41 | Enterprise Roadmap Data Governance & Information Management Maturity Model Presentation | IT |
| 42 | MF Global Governing Committees (G&D 6) | Strategy |
| 43 | Information Security Objectives for FY 2010 | IT |
| 44 | SOX Compliance IT Testing Lead Sheet | IT |
| 45 | UAM Core, Bulk, Auto-Revoke and Recertification | IT |
| 46 | 24 Hour Risk Monitoring Schedule for NA, Europe and APAC | Risk |
| 47 | Asset Classes Gap Analysis | Risk |
| 48 | Data Feeds from Exchanges | Risk |
| 49 | Intraday Risk Coverage Progress Update | Risk |
| 50 | Project Proposal Document for the Risk Data Feed Gap Closure Project | Risk |
| 51 | Market Risk and Monitoring Procedural Framework | Risk |
| 52 | Checklist for Employee Training on Systems | Risk |
| 53 | Screenshot of Risk Online User - US | Risk |
| 54 | List of Risk Personnel (Titles and Responsibilities) | Risk |
| 55 | Compliance Organizational Chart - U.S. | Compliance |
| 56 | Risk - Program Document | Risk |
| 57 | Risk Project Program | Risk |
| 58 | Release Notes For ProOptions | Risk |
| 59 | Risk Informer Release Notes | Risk |
| 60 | Change Management Process Guide | Risk |
| 61 | Risk & Compliance Summit | Risk and Compliance |

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Appendix B: MF Global, Inc. - Documents Reviewed

| # | Document | Subject |
|----|---|------------------|
| 62 | Enterprise Risk Governance Framework | Risk |
| 63 | Credit Risk Procedural Framework | Risk |
| 64 | Operational Risk Procedural Framework | Risk |
| 65 | Insurance Risk Procedural Framework | Risk |
| 66 | Risk Definitions | Risk |
| 67 | Risk Appetite Statement | Risk |
| 68 | Credit Risk Workshop Agenda | Risk |
| 69 | Market Risk Summit Agenda | Risk |
| 70 | Operational Risk Agenda | Risk |
| 71 | Operational Risk Department Organizational Chart | Risk |
| 72 | Create New Issue Form (Operational Risk) | Risk |
| 73 | Edit Existing Issue Form (Operational Risk) | Risk |
| 74 | Initial Incident Creation Form (Operational Risk) | Risk |
| 75 | Edit Existing Incident (in DB) Form (Operational Risk) | Risk |
| 76 | IT Security Standards | IT |
| 77 | Setup/Support Summary | Client Solutions |
| 78 | Employee Account Disclosure Form | Compliance |
| 79 | Compliance Assurance Audits of Futures and Securities Branches and Futures Guaranteed Introducing Brokers | Compliance |
| 80 | List of MF Global Branch Offices | Compliance |
| 81 | Operational Risk Committee | Risk |
| 82 | Operation Risk System Database Screenshot | Risk |

Appendix B: MF Global, Inc. - Documents Reviewed

| # | Document | Subject |
|-----|--|------------|
| 83 | MF Global London Compliance Key Risk Indicators December 2009 Report | Risk |
| 84 | Sample Operational Incident Report (December 17, 2009) | Risk |
| 85 | Americas Risk Committee | Risk |
| 86 | Operational Risk - Scenario Description | Risk |
| 87 | Branch Audit Schedule (2009) | Compliance |
| 88 | Guaranteed Introducing Broker Documentation | Compliance |
| 89 | Introducing Broker Documentation | Compliance |
| 90 | Non-US Introducing Broker Documentation | Compliance |
| 91 | Guaranteed Introducing Broker Audit Program Guidelines | Compliance |
| 92 | Compliance Supervisors, Inc. Documentation | Compliance |
| 93 | Guaranteed Introducing Broker Worksheet Listing all MF Global GIBs | Compliance |
| 94 | Written Supervisory Procedures Employee Trading Policy | Compliance |
| 95 | Employee Trading Policy Exception Form | Compliance |
| 96 | AML Compliance Program Manual | Compliance |
| 97 | Organizational Chart for NA Credit | Risk |
| 98 | Organizational Chart for NA Market | Risk |
| 99 | Credit Risk Committee Minutes of Meetings | Risk |
| 100 | Global Market Risk Committee Meeting Presentations | Risk |
| 101 | Direct Market Access: Request for Information | Risk |
| 102 | Direct Market Access Approval Policy | Risk |
| 103 | Portfolio Margining Application | Risk |

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| # | Document | Subject |
|-----|---|-----------------------------|
| 104 | Valuations Committee October 23, 2009 Meeting Agenda and Minutes | Risk |
| 105 | Stressed Risk Limit Request Memoranda to the Board of Directors | Risk |
| 106 | US Daily Risk Committee Meeting Reports | Risk |
| 107 | Man Financial Inc Watchlist Policy (draft) | Risk |
| 108 | Razor BCAP Model Configuration (Man Group London) | Risk |
| 109 | Ag Mark LLC Account Review Documentation Following Implementation of the Customer Identification Program Matrix | Compliance |
| 110 | IT Organizational Charts | IT |
| 111 | IT Security User Guide | IT |
| 112 | Organizational Chart for NA Operational Risk | Risk |
| 113 | Enterprise Risk Management Committee | Risk |
| 114 | ALCO Report (December 17, 2009) | Risk |
| 115 | Compliance Assurance Branch Audit Open Issues Tables | Compliance |
| 116 | NA Daily Risk Meeting Packet | Risk |
| 117 | Corporate Management Office - Promissory Review | Corporate Management Office |
| 118 | Architecture Vision CFS Plan | IT |
| 119 | New Business Initiative Documents | COO |
| 120 | FY10 IA Plan | Internal Audit |
| 121 | IA Reports (April 2009 - December 2009) | Internal Audit |
| 122 | FTD Technology - Order Express Software Certification | IT |
| 123 | Risk OnLine (Jan 2010) Material | Risk |

Appendix B: MF Global, Inc. - Documents Reviewed

| # | Document | Subject |
|-----|---|-----------------------------|
| 124 | PMO Governance Model: Project Approval & Resource Allocation | Corporate Management Office |
| 125 | Securities Compliance and Supervisory Procedures Manual | Compliance |
| 126 | Risk Methodologies Overview Presentation | Risk |
| 127 | EY SOX UAM Testing | IT |
| 128 | UAM Process | IT |
| 129 | Whistleblowers Policy | Compliance |
| 130 | Code of Business Conduct and Ethics | Compliance |
| 131 | Global Compliance Report to the Audit Committee (Fiscal Q3 2010) | Compliance |
| 132 | NA Margin Organizational Chart | COO |
| 133 | NA Operations Organizational Chart | COO |
| 134 | Job Descriptions | Risk and IT |
| 135 | Email from [REDACTED] dated February 23, 2010 re Training | Compliance |
| 136 | Ernst & Young Report on Risk Infrastructure | Risk |
| 137 | SMARTS.broker Market Coverage | Compliance |
| 138 | New Hire Compliance Training Presentation | Compliance |
| 139 | Project Initiation Document for SMARTS.broker | Compliance |
| 140 | Risk Emails re TEO Rainbow | Risk |
| 141 | Escalation Procedures for IA Related Action Plans | Internal Audit |
| 142 | US Credit Margin Financing Line Watch List | Risk |
| 143 | Surveillance Procedures | Compliance |
| 144 | Email from [REDACTED] dated March 9, 2010 re Global Head of Risk | Risk |
| 145 | Email from [REDACTED] dated March 11, 2010 re New Account Opening | Compliance |

Appendix B: MF Global, Inc. - Documents Reviewed

| # | Document | Subject |
|-----|---|------------|
| 146 | Email from [REDACTED] dated March 30, 2010 re Global Legal and Compliance Committee | Compliance |
| 147 | Email from [REDACTED] dated March 30, 2010 re [REDACTED] Limits | Risk |
| 148 | Email from [REDACTED] dated April 1, 2010 re Branch Office Staff Training | Compliance |
| 149 | Email from [REDACTED] dated April 6, 2010 re Undertakings I and J | Compliance |
| 150 | Email from [REDACTED] dated April 7, 2010 re Undertaking m | IT |
| 151 | Global Employee Handbook | HR |
| 152 | Email from [REDACTED] dated April 19, 2010 re Undertakings i and k | Compliance |

Appendix C: MF Global, Inc. - Individuals Interviewed

| # | Name | Title/Function Area | Date | Time (local) | Location | Preliminary Interviewer(s) |
|----|--------|---|-----------|----------------|--|----------------------------|
| 1 | (b)(6) | CEO | 1/5/2010 | 1:00-2:00 PM | MPG NY Office | (b)(6) |
| 2 | | COO | 1/5/2010 | 2:00-3:00 PM | MPG NY Office | |
| 3 | | Chief Information Officer | 1/6/2010 | 11:00-12:00 PM | MPG NY Office | |
| 4 | | Global Head of HR | 1/6/2010 | 12:00-1:00 PM | MPG NY Office | |
| 5 | | Global Head of Compliance | 1/6/2010 | 2:30-4:30 PM | MPG NY Office | |
| 6 | | NA CIO | 1/14/2010 | 1:00-2:30 PM | MPG NY Office | |
| 7 | | Head of US Compliance | 1/14/2010 | 2:30-3:30 PM | MPG NY Office | |
| 8 | | Global Conflicts Officer | 1/14/2010 | 4:00-5:00 PM | MPG NY Office | |
| 9 | | Global Head of Credit | 1/15/2010 | 9:00-10:00 AM | MPG NY Office | |
| 10 | | CRG APAC | 1/15/2010 | 10:00-10:30 AM | MPG NY Office | |
| 11 | | Global Head of Operational | 1/18/2010 | 2:30-3:30 PM | MPG NY Office | |
| 12 | | Head of Futures Operations | 1/19/2010 | 11:30-12:30 PM | MPG Chicago Office | |
| 13 | | US Head of Assurances and Compliance Risk | 1/19/2010 | 1:00-3:00 PM | MPG Chicago Office | |
| 14 | | Regulatory Inquiries | 1/19/2010 | 3:00-5:00 PM | MPG Chicago Office | |
| 15 | | Head of Trade Support | 1/20/2010 | 9:00-10:00 AM | MPG Chicago Office | |
| 16 | | Trade Support Manager | 1/20/2010 | 10:00-11:00 AM | MPG Chicago Office | |
| 17 | | US Head of AML | 1/20/2010 | 11:00-12:00 PM | MPG Chicago Office | |
| 18 | | Quant Analysis | 1/20/2010 | 12:00-1:00 PM | MPG Chicago Office | |
| 19 | | Chicago Risk Analysts | 1/20/2010 | 1:00-3:00 PM | MPG Chicago Office | |
| 20 | | Branch Manager | 1/20/2010 | 1:00-3:00 PM | Lincoln-Waldock Office (CBOT Building) | |
| 21 | | Global IT Controls | 1/21/2010 | 10:00-11:00 AM | MPG NY (Call) | |
| 22 | | Global Head of IT Architecture | 1/21/2010 | 11:30-12:30 PM | MPG NY Office | |
| 23 | | Managing Director, NA | 1/25/2010 | 2:00-3:00 PM | MPG NY Office | |
| 24 | | Head of Global Applications Development | 2/1/2010 | 10:30-11:30 AM | MPG NY (Call) | |
| 25 | | Head of Strategic Solutions | 2/2/2010 | 2:00-3:00 PM | MPG NY (Call) | |
| 26 | | Head of QA | 2/3/2010 | 3:00-4:00 PM | MPG NY (Call) | |

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Appendix C: MF Global, Inc. - Individuals Interviewed

| # | Name | Title/Function Area | Date | Time (local) | Location | Promontory Interviewer(s) |
|----|--------|---|-----------|----------------|-----------------|---------------------------|
| 27 | (b)(6) | NA CCO | 2/3/2010 | 9:30-10:30 AM | MPG NY Office | (b)(6) |
| 28 | | Executive VP - PMO | 2/3/2010 | 11:00-12:00 PM | MPG NY Office | |
| 29 | | NA CRO (E-Limit Demo Application demo + amend Daily NA Risk Meeting) | 2/3/2010 | 12:00-2:30 PM | MPG NY Office | |
| 30 | | Global Head of Corporate Solutions and Retail | 2/4/2010 | 10:00-11:00 AM | PTG NY (Call) | |
| 31 | | Webex Demonstrations - Order Express, Murado, PATN, and Trading Technology (TT) | 2/4/2010 | 12:00-1:30 PM | PTG NY (Onsite) | |
| 32 | | Head of US Compliance | 2/4/2010 | 2:00-3:00 PM | PTG NY (Call) | |
| 33 | | Global Head of Business Support | 2/9/2010 | 8:00-9:00 AM | PTG NY (Call) | |
| 34 | | NA COO | 2/16/2010 | 11:00-12:00 PM | MPG NY Office | |
| 35 | | Global Head of Risk and Compliance Systems | 2/17/2010 | 2:00-3:00 PM | MPG NY Office | |
| 36 | | Demo of the Global Exchange Portal | 2/18/2010 | 10:00-11:00 AM | MPG NY Office | |
| 37 | | Account Opening Systems Demo | 2/19/2010 | 11:00-12:00 PM | MPG NY Office | |
| 38 | | Head of IA and the Head of NA IA | 2/23/2010 | 2:00-3:00 PM | MPG NY Office | |
| 39 | | Global Head of Market Risk | 2/23/2010 | 3:00-4:00 PM | MPG NY Office | |
| 40 | | Anastasia Vice President of Compliance | 2/24/2010 | 2:00-3:00 PM | PTG NY (Call) | |
| 41 | | Head of IT Security | 2/25/2010 | 9:00-10:00 AM | PTG NY (Call) | |
| 42 | | Global Head of HR | 2/25/2010 | 12:00-12:30 PM | PTG NY (Call) | |
| 43 | | General Counsel | 4/5/2010 | 9:30-10:30 AM | MPG NY Office | |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Status | Comments | Implementation | |
|--|--------|------------------------------|--------|----------|----------------|-----------------------|
| | | | | | Complete (Y/N) | Exempt (N/A/PE/US-EP) |
| Undertakings - Risk Monitoring | a | (b)(4) | | | Y | E-EP |
| Undertakings - Branch Offices | b | | | | Y | E-EP |
| Undertakings - Technology Applications and Solutions | c | | | | Y | E |
| Undertakings - Risk Monitoring | d | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Issues | Comments | Implementation | |
|--|--------|------------------------------|--------|----------|----------------|------------------------|
| | | | | | Complete (Y/N) | Reviewed (Date/By/How) |
| Undertakings - Risk Monitoring | 16 | (b)(4) | | | Y | E-EP |
| Undertakings - Compliance Testing and Monitoring | 17 | | | | Y | E-EP |
| Undertakings - Internal Audit (Compliance) | 18 | | | | Y | E-EP |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|---|--------|------------------------------|-------|----------|----------------|--------------------------|
| | | | | | Complete (Y/N) | Efficiency (E/EP/NEP/NA) |
| Undertakings - Risk Management (Compliance) | 11 | (b)(4) | | | Y | E-EP |
| Undertakings - Risk Management (Compliance) | 1 | | | | Y | E-EP |
| Undertakings - Risk Management (Compliance) | 7 | | | | Y | E-EP |
| Undertakings - Risk Management (Compliance) | 8 | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Issuer | Comments | Implementation | |
|--|--------|------------------------------|--------|----------|----------------|------------------------|
| | | | | | Original Link | Additional Information |
| Undertakings - Risk Management (Compliance) | 1 | | | | A | E |
| Undertakings - Technology Applications and Solutions | 10 | | | | Y | E |
| Undertakings - Compliance Governance | 8 | | | | N | PE |

(b)(4)

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|------------------------------------|--------|------------------------------|-------|----------|----------------|-------------------------------|
| | | | | | Complete (Y/N) | Offense(s) not resolved (Y/N) |
| Undertakings - Compliance Training | (b) | (b)(4) | | | Y | E |
| Undertakings - Compliance Training | (b)(1) | | | | Y | E |
| Undertakings - Compliance Training | (b)(1) | | | | Y | E |
| Undertakings - Compliance Training | (b)(1) | | | | Y | E-EP |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Status | Comments | Implementation | |
|---|--------|------------------------------|--------|----------|----------------|----------------|
| | | | | | Complete Y/N | Effective Date |
| Undertaking - Risk Management (Compliance) | 1 | (b)(4) | | | Y | E - EP |
| Risk Monitoring | 3 | | | | Y | E |
| Risk Monitoring | 2 | | | | Y | E |
| Risk Monitoring | 3 | | | | Y | E |
| Risk Monitoring | 4 | | | | Y | E |
| HR Policies - Hiring, Training and Compensation | 5 | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Status | Comments | Implementation | |
|-----------------|--------|------------------------------|--------|----------|----------------|---------------------------------|
| | | | | | Progress (Y/N) | Comments (NO, YES, IN PROGRESS) |
| Risk Monitoring | (b)(4) | (b)(4) | (b)(4) | (b)(4) | N | E-CP |
| Risk Monitoring | (b)(4) | | | | Y | E |
| Risk Monitoring | (b)(4) | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|-----------------------------|--------|------------------------------|-------|----------|----------------|-----------------------------|
| | | | | | Complete (Y/N) | Remaining (N/A/Partial/Not) |
| Risk Monitoring Staffing | 8 | (b)(4) | | | Y | E |
| Risk Monitoring Staffing | 9 | | | | Y | E |
| Risk Monitoring Staffing | 10 | | | | Y | E |
| Risk Monitoring Staffing | 11 | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Status | Comments | Implementation | |
|----------------------|--------|------------------------------|--------|----------|----------------|----------------------|
| | | | | | Complete (Y/N) | Reviewed (Y/N/EP/CP) |
| Personal Trading | 12 | (b)(4) | | | Y | E-EP |
| Personal Trading | 13 | | | | | |
| Software Development | 14 | | | | Y | E |
| Branch Offices | 15 | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Issue? | Comments | Implementation | |
|-----------------------------|--------|------------------------------|--------|----------|-----------------|-------------------------|
| | | | | | Completed (Y/N) | Reviewed (Reviewed/Not) |
| Branch Offices | 15 | | | (b)(4) | Y | E |
| Branch Offices | 17 | | | | Y | E, EP |
| Risk Management (Generally) | 18 | | | | Y | E |
| Risk Management (Generally) | 19 | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|-----------------------------|--------|------------------------------|-------|----------|----------------|---------------------|
| | | | | | Complete (Y/N) | Timeline (Y/N/E/EP) |
| Risk Management (Generally) | 20 | (b)(4) | | | Y | E |
| Credit Risk Management | 21 | | | | Y | E-EP |
| Operational Risk Management | 22 | | | | Y | E-EP |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rev. # | Undertaking / Recommendation | Issuer | Comments | Implementation | |
|---|--------|------------------------------|--------|----------|----------------|-------------------------|
| | | | | | Complete (Y/N) | Effective (Y/N/E/EP/NA) |
| New Product and Business Approval Processes | 23 | (b)(4) | | | Y | E |
| Compliance Testing and Monitoring | 24 | | | | Y | E-EP |
| Compliance Testing and Monitoring | 25 | | | | Y | E-EP |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Determing / Recommendation | Issue | Comments | Implementation | |
|-----------------------|--------|----------------------------|-------|----------|----------------|---------------------------|
| | | | | | Complete (Y/N) | Effectiveness (S/N/NA/UP) |
| Futures Activities | 25 | (b)(4) | | | Y | E-EP |
| Futures Activities | 27 | | | | Y | E |
| Securities Activities | 28 | | | | | |
| Securities Activities | 29 | | | | | |
| Securities Activities | 30 | | | | | |
| Securities Activities | 31 | | | | | |
| Securities Activities | 32 | | | | Y | E |
| Securities Activities | 33 | | | | | |
| Securities Activities | 34 | | | | | |
| Securities Activities | 35 | | | | | |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|---|--------|------------------------------|-------|----------|----------------|---------------|
| | | | | | Original (Y/N) | Revised (Y/N) |
| Corporate Governance | 34 | (b)(4) | | | Y | E |
| Executive or Senior Management Oversight and Corporate Governance | 35 | | | | Y | E |
| Internal Audit | 36 | | | | Y | E |
| HR Policies - Hiring, Training and Compensation | 37 | | | | Y | E |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|---|--------|------------------------------|-------|----------|----------------|-----------------------------------|
| | | | | | Complete (Y/N) | Procedures Implemented (Y/N/E/EP) |
| HR Policies - Hiring, Training and Compensation | 35 | (b)(4) | | | Y | E |
| HR Policies - Hiring, Training and Compensation | 35 | | | | Y | PE |
| Technology Applications and Solutions | 50 | | | | Y | E-EP |

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Ref. # | Undertaking / Recommendation | Status | Comments | Implementation | |
|---------------------------------------|--------|------------------------------|--------|----------|-----------------|------------------------|
| | | | | | Complete Status | Responsible Management |
| Technology Applications and Solutions | 41 | | | | Y | E-EP |
| Technology Applications and Solutions | 42 | | | | Y | E-EP |

(b)(4)

Appendix D: MF Global, Inc. - Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Issue | Comments | Implementation | |
|---------------------------------------|--------|------------------------------|-------|----------|----------------|----------------------------|
| | | | | | Complete (Y/N) | Reviewed (N/A/Not U.S.-eq) |
| Technology Applications and Solutions | 43 | (b)(4) | | | Y | E-EP |
| Technology Applications and Solutions | 44 | | | | Y | E |

Appendix E: MF Global, Inc. - Additional Recommendations

| # | Category | Recommendation |
|---|---------------------------------------|----------------|
| 1 | Risk Monitoring - Margin | (b)(4) |
| 2 | Technology Applications and Solutions | |



Washington, DC Atlanta Dubai London Milan New York Paris San Francisco Singapore Sydney Tokyo Toronto

MF Global, Inc.

2011 CFTC Order Review

**Presentation to the Audit and Risk
Committee of the Board of Directors**

May 12, 2011



Contents

- ❖ Nature and Scope of the Review
- ❖ Overall Assessment
- ❖ Key Risk Management and Control Enhancements Since 2010 Review
- ❖ Assessment Definitions
- ❖ Breakdown of Undertaking/Recommendation Assessments
- ❖ Additional Recommendation
- ❖ Conclusions
- ❖ Appendices
 - A. Promontory Team Members
 - B. Documents Reviewed
 - C. Individuals Interviewed
 - D. Assessment of Implementation of Undertakings and Recommendations



Nature and Scope of the Review

- ✧ From January 18, 2011 to March 21, 2011, Promontory conducted the second annual review (“2011 Review”) of matters related to the Order Instituting Proceedings Pursuant to Sections 6(c) and 6(d) of the Commodity Exchange Act, as amended, (“CEA”) Making Findings and Imposing Remedial Sanctions issued by the Commodity Futures Trading Commission (the “Commission” or “CFTC”) dated December 17, 2009 (the “Order”). *(Attached as **Appendix A** is a list of the Promontory Team Members who conducted the 2011 Review.)*
- ✧ As part of the 2011 Review, Promontory reviewed MF Global’s internal controls related to compliance, risk management processes, IT infrastructure, and corporate governance, in order to assess compliance with the Order.
- ✧ Promontory had wide access to, and reviewed, internal reports, policies and procedures, specialized presentations, and other internal documents. *(Attached as **Appendix B** is a list of the Documents Reviewed.)*
- ✧ Promontory conducted 47 interviews with senior executives, heads of control units, and other professionals at MF Global. *(Attached as **Appendix C** is a list of the MF Global Individuals Interviewed.)*



Overall Assessment

- ✧ MF Global senior management has set a “tone at the top” that supports a best practice enterprise-wide risk management framework and compliance culture that is supported by MF Global’s revised compensation framework.
- ✧ MF Global has substantially revised its annual performance review and compensation process to incorporate a balanced scorecard approach, and several core policies and procedures have been modified to clarify and emphasize the importance of compliance with rules and regulations, and adherence to the firm’s policies and procedures, in determining annual compensation.
- ✧ MF Global has enhanced its compliance function through the addition of qualified personnel, the implementation of a trade surveillance system, and the adoption of written supervisory procedures and formalized reports for futures branch reviews. In addition, MF Global has improved its monitoring processes in order to better determine whether employees are adhering to internal policies and procedures, as well as complying with applicable regulatory requirements.
- ✧ As noted in the report of Promontory’s presentation to the Audit Committee on its review conducted from January 4, 2010 to April 7, 2010 (“2010 Review”), MF Global has established or modified policies and procedures to reflect best practices; developed and continues to implement robust training modules; and developed and continues to enhance IT systems in order to support senior management’s vision of a globally-integrated enterprise-wide risk management framework and to reflect the firm’s long-term business goals and strategic initiatives.



Key Risk Management and Control Enhancements

▪ Enterprise Risk Management and Organizational Structure

The continued hiring and appointment of experienced and well-qualified individuals to senior control and risk management positions has strengthened the firm's revised organizational structure and its enterprise-wide risk management framework and the segregation of duties inherent in that structure and framework.

▪ Operational Risk Management

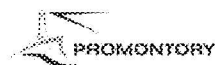
MF Global continues to enhance and strengthen its management of operational risk by (i) developing a central issues database, (ii) updating the Process Risk and Control Library, (iii) strengthening the quality and consistency of operational risk incident reporting, (iv) launching the Operational Risk Training Program, (v) strengthening the processes for reviewing and reporting external operational risk incidents, (vi) integrating operational risk into the Board-established risk appetite, (vii) launching the Risk and Control Self-Assessment Program, and (viii) developing risk maps and matrices, which are used to determine inherent and residual risk.

▪ Supervisory Training

MF Global continues to train its branch managers and supervisors on their day-to-day tasks and responsibilities. The training covers a wide-array of topics, including key internal processes (e.g., new account opening), applicable regulatory requirements, and potential manipulative or prohibited trading practices, among other topics.

▪ Compliance Training

The Compliance Education Group ("CEG") has continued to update and enhance the annual compliance training given to all MF Global professional staff, and compliance education remains a high priority for the firm. CEG has leveraged the vendor SAI Global to electronically track employee training and to develop and rollout several on-line training modules.



Key Risk Management and Control Enhancements *(continued)*

▪ Compliance Assurance for GIBs

MF Global maintains robust oversight of its IB and GIB relationships. In addition to the rigorous pre-screening due diligence process established by the Compliance Department, the Head of Policies & Assurance has established a GIB audit program that includes a risk-based approach to conduct targeted reviews of GIBs on an annual basis, as well as retaining the services of an outside vendor, Compliance Supervisors, Inc., to conduct annual reviews of all of MF Global's GIBs.

▪ Technology Enhancements

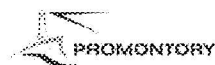
MF Global has continued to develop and enhance its technological capabilities. Market Risk has fully implemented RiskMetrics and Risk Informer to bolster its monitoring and analytic capabilities. Compliance has implemented SMARTS.broker, a vendor-developed trade surveillance tool that enhances Compliance's ability to detect and investigate potential trading infractions, including, but not limited to, wash trading, spoofing, and ramping/marketing the close. Other notable enhancements include the implementation of eLimits, the Broker Registration Administrative Tool, and the Tag 50 database, and progress towards the firm's Multi-Asset Trading Platform initiative.

▪ Internal Audit

Internal Audit continues its risk-based approach to its annual audit program, and we note that it has been pro-active in auditing, or planning to audit, those new business and activities that may present heightened risk in the future, specifically including primary dealer, principal strategies, and government-sponsored enterprises dealing activities.

▪ Branch Supervision

MF Global is in the process of consolidating its branch office locations in New York City and Chicago, providing for a more streamlined supervisory structure and enhanced oversight of employees. In addition, MF Global continues to centrally approve all new accounts and limit requests, and monitor adherence to such limits.



Key Risk Management and Control Enhancements *(continued)*

▪ Credit and Market Risk Management

MF Global has created a new Credit Watchlist Policy, expanded significantly the Credit Risk Procedural Framework, and created a Direct Market Access (“DMA”) Approval Policy. The DMA Approval Policy represents the formalization and enhancement of the firm’s DMA processes and provides clear delineation of responsibilities among the various units participating in the DMA approval process.

▪ Pre-Employment Screening

MF Global has maintained a robust pre-employment screening process. Primary oversight of the pre-employment screening process has been transitioned to Human Resources, from Compliance. Additionally, MF Global had ended its previous relationship with the vendor First Advantage. HR now retains the vendor Info Search (“ISA”), which provides a comprehensive background search program that includes:

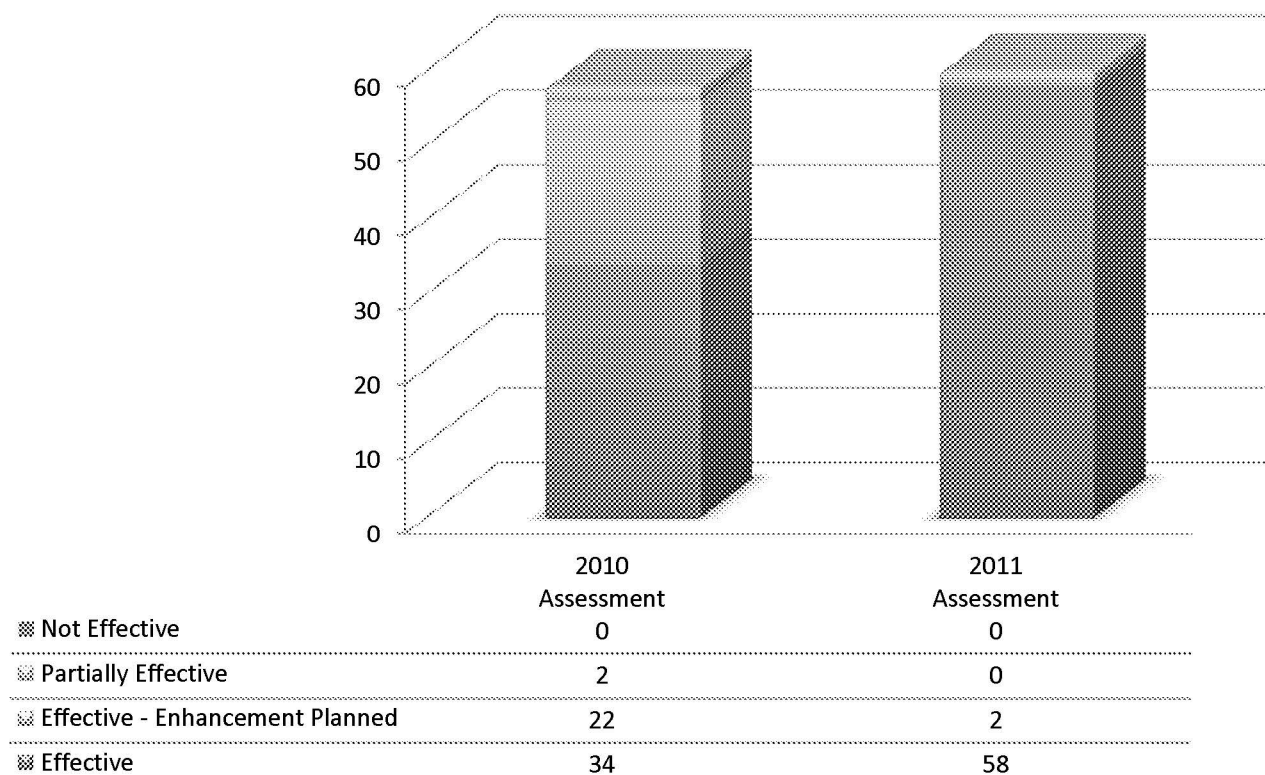
- SSN/ID verification,
- Credit reports from Experian or TransUnion,
- OFAC, Homeland Security and US Treasury Department screening,
- FINRA and SEC record searches,
- Criminal record searches at county, state and federal levels,
- National address search (10 year look-back),
- Education credential verification,
- Employment verification,
- Fingerprinting, conducted through an ISA affiliate, and
- Drug screening.



Breakdown of Undertaking/Recommendation Assessments

Attached as **Appendix D** is the list of the CFTC Undertakings and Promontory recommendations and Promontory's assessments of (i) the status of compliance with, or implementation of, each undertaking and recommendation and (ii) the effectiveness of such compliance or implementation. The following chart provides a graphic depiction of Promontory's 2011 assessments* compared to Promontory's 2010 assessments:

Breakdown of Recommendation/Undertaking Assessment



* The 2011 assessments include two additional recommendations made by Promontory' during the 2010 Review.



Assessment Definitions

| | |
|---|---|
| (E-EP) Effective-Enhancement Planned | MF Global's implementation mitigates or addresses the risks or concerns underlying the undertaking or recommendation; however, further enhancements to its policies, procedures, systems or staffing are either currently being implemented or are planned to be implemented in the future. |
| (E) Effective | MF Global's implementation substantially mitigates or addresses the risks or concerns underlying the undertaking or recommendation. |
| (PE) Partially Effective | MF Global's implementation does not substantially mitigate or address the risks or concerns underlying the undertaking or recommendation. |
| (NE) Not Effective | MF Global's policies, procedures, or systems do not mitigate or address the risk or concerns underlying the undertaking or recommendation. |

Additional Recommendation

- MF Global should adopt a regulatory relations policy and implement a formal regulatory relations program. The objectives of such a program should be transparency and consistency. The program should include, at least, the following two elements:
 1. Coordination
 - i. Centralize the point of contact,
 - ii. Track and reports all regulatory interactions and documents provided to regulators,
 - iii. Provide forward-looking strategy on regulatory trends and position the firm on regulatory issues;
 2. Protocols and guidelines
 - i. An internal authorization system for identifying individuals prepared and authorized to speak on behalf of the firm,
 - ii. Style guides for written and verbal communication, and
 - iii. Advance preparation for interviews and examinations.



Conclusions

- ❖ MF Global has successfully and effectively implemented the Promontory recommendations and complied with the CFTC Undertakings, and it has established a robust enterprise-wide risk management and compliance program and internal controls framework.
- ❖ The implementation of some processes and systems related to the CFTC Undertakings and Promontory recommendations are, appropriately, works in progress or multi-year efforts, and MF Global is in the process of further enhancing these areas.
- ❖ Promontory has witnessed a remarkable turn-around at MF Global in terms of leadership and culture since our original review in 2008 following the Dooley Trading Incident. MF Global has dedicated resources and the time of its staff to implement and enhance its risk management, compliance, and IT capabilities, and seems dedicated to their continued improvement.
- ❖ MF Global has continued to strengthen its senior management team since the 2010 Review. In addition, during the 2011 Review, Promontory observed a strong commitment to the firm's new strategic direction and focus, with credit given in large part to (b)(6)
(b)(6)
- ❖ The Board deserves substantial credit for shepherding the significant changes that have vastly improved the control and risk management infrastructure and the strengthening of the senior management team.





Appendices

Appendix A: MF Global, Inc. – Promontory Team Members

| NAME | TITLE |
|--------|-------------------------|
| (b)(4) | Chief Executive Officer |
| | Managing Director |
| | Managing Director |
| | Senior Principal |
| | Associate |
| | Analyst |

Appendix B: MF Global, Inc. – Documents Received

| # | Document | Subject |
|----|--|------------|
| 1 | MF Global Anti-Money Laundering Compliance Manual | Compliance |
| 2 | Stress Testing Analysis North Americas | Risk |
| 3 | Futures Branch Offices Schedules and Tracking | Compliance |
| 4 | Branch Office Compliance Assurance Review Form | Compliance |
| 5 | Code of Business Conduct and Ethics | Legal |
| 6 | Compliance Risk and Assurance 2010 Branch Reviews (January to December 2010) | Compliance |
| 7 | GIB Audit and Telephone Surveillance Report (November to December 2010) | Compliance |
| 8 | US Compliance Business Plan (Tracking Sheet) | Compliance |
| 9 | US Compliance Organizational Chart | Compliance |
| 10 | Annual Compliance Plan (July 1, 2010 - June 30, 2011) | Compliance |
| 11 | Compliance Supervisors Inc. Invoice | Compliance |
| 12 | CSI GIB Audit [REDACTED] (Minnesota) | Compliance |
| 13 | CSI GIB Audit - Field Industries Inc (North Carolina) | Compliance |
| 14 | Compliance Training Needs Analysis 2010 | Training |
| 15 | Credit Risk Procedural Framework (GRD 8.3.0) | Risk |
| 16 | MF Global Credit Watch list Policy | Risk |
| 17 | MF Global Direct Market Access Approval Policy (GRD 3.4.0) | Risk |
| 18 | Issues table for Dowd-Wescott (2010 Update) | Compliance |
| 19 | Employee Trading Exception Form | Compliance |
| 20 | Employee Trading Exception Form - Floor Brokers and Floor Traders | Compliance |
| 21 | Employee Trading Policy | Compliance |
| 22 | Employee Trading - Compliance Desk Procedures | Compliance |
| 23 | Written Supervisory Procedures - Global Employee Trading Policy | Compliance |
| 24 | Enterprise Risk Management Escalation Policy (GRD 5.0.0) | Risk |
| 25 | Enterprise Risk Policy (GRD 3.0.0) | Risk |
| 26 | Issues table for FOX Futures Branch (Updated 2010) | Compliance |
| 27 | Global Compliance Presentation to MF Global Board (March 3, 2010) | Compliance |
| 28 | Global Compliance Presentation to MF Global Board (October 27, 2010) | Compliance |
| 29 | Global Employee Handbook Changes Effective 01112011 | HR |
| 30 | Global Employee Handbook | HR |
| 31 | MF Global IT Organization (Charts) | IT |
| 32 | GNBIC Appendix #2 - Instructions for Preparing the FR 2004 Primary Government Securities Dealers Reports | Strategy |

Appendix B: MF Global, Inc. – Documents Received

| # | Document | Subject |
|----|---|----------------|
| 33 | GNBIC Appendix #1 - Primary Dealer Customer and Auction Revenue | Strategy |
| 34 | GNBIC Appendix #3 - US Treasury Auctions Policies and Procedures (Draft) | Strategy |
| 35 | GNBIC Appendix #4 - Treasury Market Best Practices | Strategy |
| 36 | GNBIC - Office of the CEO New Business Initiative Proposal - Primary Dealer | Strategy |
| 37 | GNBIC - Fixed Income Primary Dealer Roadmap | Strategy |
| 38 | MF Global New Business Initiatives Committee (GNBIC) Meeting Minutes | Strategy |
| 39 | Americas Risk Committee Meeting Minutes (11122010) | Risk |
| 40 | Americas Risk Committee Meeting Minutes (10182010) | Risk |
| 41 | Americas Risk Committee Report (11122010) | Risk |
| 42 | Americas Risk Committee Report (12142010) | Risk |
| 43 | Americas Risk Committee Report (10182010) | Risk |
| 44 | Enterprise Risk Management Committee Discussion Pack (10252010) | Risk |
| 45 | Enterprise Risk Management Committee Discussion Pack (11242010) | Risk |
| 46 | Enterprise Risk Management Committee Discussion Pack (12222010) | Risk |
| 47 | Enterprise Risk Management Committee Meeting Minutes (11242010) | Risk |
| 48 | Enterprise Risk Management Committee Meeting Minutes (10252010) | Risk |
| 49 | Global Market Risk Committee Meeting Minutes (10212010) | Risk |
| 50 | Internal Audit Reports Issued Jan 1, 2010 to December 31, 2010 | Internal Audit |
| 51 | Internal Audit Report 02FY11 - US Treasury Investments and Treasury Operations | Internal Audit |
| 52 | 24 Hour Risk Monitoring Schedule - NY Risk Department (November 27, 2010 - February 11, 2011) | Risk |
| 53 | US Risk Monitor Email | Risk |
| 54 | MF Global IT General Controls | IT |
| 55 | IT Security Objectives FY2011 | IT |
| 56 | MF Global Information Security Policy | IT |
| 57 | Issues Table for Lind-Waldock 2010 | Compliance |
| 58 | Market Risk Employee List - New York | Risk |
| 59 | Supervisory Trainings from 2009 to 2011 | Training |
| 60 | MF Global Futures Compliance and Supervisory Procedures Manual | Compliance |
| 61 | MF Global Introducing Broker Questionnaire | Compliance |
| 62 | Compliance/Risk Annual Training 2010 (December 2010) | Training |
| 63 | AML Email Meeting Invites | Compliance |
| 64 | Credit Risk Committee (CRC) Meeting Minutes | Risk |
| 65 | Market Risk Offsite Agenda (Aug - Sept 2010) | Risk |

Appendix B: MF Global, Inc. – Documents Received

| # | Document | Subject |
|----|---|-----------------|
| 66 | 2010 Annual Compliance/Risk Training | Training |
| 67 | Credit Risk Annual Training (December 2010) | Training |
| 68 | Enterprise Risk Management Training - Risk Governance Framework (August 2010) | Training |
| 69 | Operational Risk Awareness Training (November 2010) | Training |
| 70 | Market Risk Training (August 18, 2010) | Training |
| 71 | Risk Department Organization (Charts) | Risk |
| 72 | New Hire Compliance Training 2011 | Training |
| 73 | Operational Risk Committee Meeting Minutes (11182010) | Risk |
| 74 | Operational Risk Committee Meeting Minutes (10212010) | Risk |
| 75 | Operational Risk Committee Report (12162010) | Risk |
| 76 | Operational Risk Committee Report (11182010) | Risk |
| 77 | Operational Risk Committee Report (10212010) | Risk |
| 78 | Operational Risk Committee Meeting Minutes (12162010) | Risk |
| 79 | Operational Risk Procedural Framework (GRD 8.5.0) | Risk |
| 80 | Smarts.broker User Guide and Coverage | IT / Compliance |
| 81 | Compliance/Risk Annual Training 2010 Sign-in Sheets | Training |
| 82 | Risk Appetite Statement (GRD 2.0.0) | Risk |
| 83 | Market Risk and Monitoring Procedural Framework (GRD 8.4.0) | Risk |
| 84 | Rainbow Screenshot | Risk |
| 85 | MF Global Securities Compliance and Supervisory Procedures Manual | Compliance |
| 86 | IT Acceptable Use Policy and Security User Guide | IT |
| 87 | SMARTS.broker Alerts Descriptions and Parameters (CBOT) | IT / Compliance |
| 88 | SMARTS.broker Alerts Descriptions and Parameters (CME) | IT / Compliance |
| 89 | SMARTS.broker Alerts Descriptions and Parameters (NYMEX) | IT / Compliance |
| 90 | SMARTs. Broker Front Running Alert (CME) | IT / Compliance |
| 91 | Surveillance Systems and Reports (2009-2010) | IT / Compliance |
| 92 | Whistleblower Policy (Updated 2010) | Legal |
| 93 | RNBIC Minutes - Americas (October 1, 2010) | Strategy |
| 94 | MF Global Policies and Procedures as viewed from the Global Exchange Portal | Misc |
| 95 | Foreign Exchange Supervisory Compliance Training Presentation (December 2009, updated October 2010) | Training |

Appendix B: MF Global, Inc. – Documents Received

| # | Document | Subject |
|-----|---|----------------|
| 96 | Proofpoint Supervisory Training Presentation (August 2009, updated October 2010) | Training |
| 97 | Supervisory Compliance Training Presentation (October 2010) | Training |
| 98 | CFTC/Promontory Implementation Status | Misc |
| 99 | Kickoff Presentation Promontory Update [REDACTED] | Misc |
| 100 | IT Implementation Status (Kickoff Presentation IT [REDACTED]) | Misc |
| 101 | Compliance US Overview [REDACTED] kickoff presentation) | Misc |
| 102 | 2011 Performance Review & Discussion Guidelines (Draft) | HR |
| 103 | CEO Message - Our Commitment to Integrity | HR |
| 104 | Corporate Management Office Organizational Chart (2011) | CMO |
| 105 | MF Global Information Security Standard - Remote User Access | IT |
| 106 | MF Global Information Security Standard - Connection of Third Parties to MF Global Networks | IT |
| 107 | MF Global Information Security Standard - Information Exchange with Third Parties | IT |
| 108 | MF Global Information Security Standard - Information Protection and Disposal | IT |
| 109 | MF Global Information Security Standard - Mobile Device Security | IT |
| 110 | Quality Assurance Coverage and Results (IT Monthly Management Report) | IT |
| 111 | Supervisory Compliance Training (October 2010) | Training |
| 112 | Clearing Member Requirements for Credit Default Swaps (CME Group) | Risk |
| 113 | Email from MFG regarding the Front End systems for Caplin and Avalon | IT |
| 114 | Daily Risk Committee (DRC) Meeting Documents (02032011) | Risk |
| 115 | Communications and Disclosure Policy and Guidelines | Compliance |
| 116 | Electronic Communications Update: Social Networking Site "Facebook" (GL-10-008) | Compliance |
| 117 | MF Global Townhall Slides | Misc |
| 118 | 2010 Annual Futures Compliance Meeting (Template) | Training |
| 119 | Anti-Money Laundering (AML) On-line Training Module | Training |
| 120 | Overall Timelines for eLimits Phase 2.0 | IT |
| 121 | 2010 Internal Audit Reports (updated 02092011) | IA |
| 122 | Risk Policies (by MFG numerical code) | Risk |
| 123 | Internal Audit Report 12FY11 - US Compliance Monitoring and Surveillance | Internal Audit |
| 124 | Branch Office CA Review Form - Gap Eclipse (Completed) | Compliance |
| 125 | Compliance Risk Assessment Scoring Document (Working Draft) | Compliance |

Appendix B: MF Global, Inc. – Documents Received

| # | Document | Subject |
|-----|--|----------------|
| 126 | Written Supervisory Procedures - Futures and Options (Working Draft) | Compliance |
| 127 | Supervisory Checklist - Futures and Options Chicago (Working Draft) | Compliance |
| 128 | Compliance Risk and Assurance Program (working draft in process of implementation) | Compliance |
| 129 | Compliance Communication Memo - NFA Amends Rule 2-30 Relating to Futures Customers Information and Risk Disclosure Requirements (US-10-023) | Compliance |
| 130 | 2011 Performance Review & Discussion Guidelines (Final - Dated 2152011) | HR |
| 131 | Global Organization - Functional Alignment (Draft) | Misc |
| 132 | Code of Business Conduct and Ethics (2011 version) | Legal |
| 133 | Memo from the Office of the General Counsel regarding the revised Code of Business Conduct and affirmation requirement | Legal |
| 134 | E-Mail from [REDACTED] RE Clarification of eLimits | IT |
| 135 | Organizational Chart: [REDACTED] Direct Reports | Risk |
| 136 | MF Global Securities Compliance and Supervisory Procedures Manual (as of 1.21.2011) | Compliance |
| 137 | Documentation of Regulatory Violations - Email from Office of General Counsel [REDACTED] | Compliance |
| 138 | Enterprise Risk Management Escalation Policy - Compliance Responsibilities (Compliance Communication from Tracy Whille) | Compliance |
| 139 | Internal Audit Report 11/FY11 - Government-Sponsored Enterprises (GSEs) Fannie Mae, Freddie Mac and FHLB | Internal Audit |
| 140 | Email from Monica Togaru re CFTC Undertaking b (3 March 11) | Compliance |
| 141 | Enterprise Risk Management - Introduction: Risk Governance Framework (3 March 11) | Training |
| 142 | NFA Self-Exam Checklist - Completed | Compliance |
| 143 | NFA Self Exam Checklist Appendix A (AML) Completed - 2010 | Compliance |
| 144 | NFA Self Exam Checklist Appendix B (Business Continuity and Disaster Recovery) Completed - 2010 | Compliance |
| 145 | NFA Self Exam Checklist Appendix D (Privacy) Completed - 2010 | Compliance |
| 146 | NFA Self-Exam Checklist Appendix C (NFA Ethics Course) - Completed 2009 | Compliance |
| 147 | Email From Monica Togaru - List of Internal Audit Reports (January 2011) | Internal Audit |
| 148 | Internal Audit Report Issue 28-FY 10/5 (Key Market Risk policies and procedures need to be updated to reflect the current operating environment) | Internal Audit |
| 149 | Sign In Sheet - Compliance Risk Training Chicago (12092010) | Training |

Appendix B: MF Global, Inc. – Documents Received

| # | Document | | Subject |
|-----|--|---|------------|
| 150 | Sign In Sheet - Compliance Risk Training New York (12092010) | | Training |
| 151 | Board of Directors Meeting - Strategy & Budget Discussion Materials | | Strategy |
| 152 | Email from (b)(6) | re Recommendation 32 (9 March 11) | Compliance |
| 153 | Client On-Boarding Tool Workflow - Pilot Version | | Compliance |
| 154 | MATP Functional Architecture | | IT |
| 155 | Global Compliance Report to the Audit Committee | | Compliance |
| 156 | Email from (b)(6) | re Responding to 4 questions and requests from Promontory (11 March 11) | Compliance |
| 157 | Audio Log - January 2011 | | Compliance |
| 158 | Email from (b)(6) | re CFTC Undertaking b (14 March 2011) | Compliance |
| 159 | Enterprise Risk Management - Introduction On-Line Training Speaking Points (14 March 11) | | Training |
| 160 | Memorandum to all Employees re Enterprise Risk Management Framework Training (14 March 11) | | Training |
| 161 | Outside Business Activity ("OBA") Policy | | Compliance |
| 162 | Email from (b)(6) March 11) | re Promontory Recommendation 17 evidence (14 | Compliance |
| 163 | Email from (b)(6) March 2011) | re Promontory questions (Ops, Credit, Risk) 16 | Risk |
| 164 | Email from (b)(6) | re Promontory questions (Risk) 18 March 2011 | Risk |
| 165 | Email from (b)(6) | re Recommendation 37 inquiry - 18 March 2011 | HR |
| 166 | Standard North America Offer Letter from Human Resources (as of 3-4-2011) | | HR |
| 167 | Email from (b)(6) | re Details on BTR (18 March 11) | Compliance |
| 168 | Email from (b)(6) 11) | re Telephone and E-mail Surveillance (18 March | Compliance |
| 169 | Email from (b)(6) | re Recommendation 37 inquiry (23 March 2011) | HR |
| 170 | Email from (b)(6) | re separate Margin policy (23 March 2011) | Risk |
| 171 | Email from Risk Department re Mandatory Introduction to Risk Governance Framework Training Module (March 31, 2011) | | Compliance |

Appendix C: MF Global, Inc. – Individuals Interviewed

| # | MF Global Name | Title/Functional Area | Location | Time (Local) | Interview Date | Promontory Interviewer(s) |
|----|----------------|---|-----------------|--------------|----------------|---------------------------|
| 1 | (b)(6) | General Counsel | New York | 9:00am | 1/13/2011 | (b)(6) |
| 2 | | General Counsel | New York | 2:00pm | 1/18/2011 | |
| 3 | | Chief Compliance Officer | New York | 2:00pm | 1/18/2011 | |
| 4 | | NA Head of Compliance | New York | 10:00am | 1/19/2011 | |
| 5 | | Head of Registration, Analytics, and Conflicts | New York | 11:00am | 1/19/2011 | |
| 6 | | Conflicts Officer, Head of Registration, Analytics, and Conflicts, respectively | New York | 12:00pm | 1/19/2011 | |
| 7 | | Global Head of IT Controls | Conference Call | 10:00am | 1/25/2011 | |
| 8 | | Chief Data Officer, Head of Project Management (IT Architecture), respectively | New York | 12:30pm | 1/25/2011 | |
| 9 | | Head of Web and Corporate Development | New York | 1:30pm | 1/25/2011 | |
| 10 | | Global Head of IT Architecture | New York | 2:00pm | 1/25/2011 | |
| 11 | | Global Head of Quality Assurance | New York | 4:30pm | 1/25/2011 | |
| 12 | | Head of Policies & Assurance | New York | 10:30am | 1/26/2011 | |
| 13 | | Head of Applications Development and CIO Europe | Conference Call | 9:00am | 1/27/2011 | |
| 14 | | Head of IT Security | Conference Call | 10:00am | 1/27/2011 | |
| 15 | | NA Chief Operations Officer | New York | 2:00pm | 1/27/2011 | |
| 16 | | Margin Supervision | New York | 3:00pm | 1/27/2011 | |
| 17 | | Head of Strategy and PMO | New York | 10:00am | 1/28/2011 | |
| 18 | | Global Head of HR | New York | 11:00am | 1/31/2011 | |
| 19 | | NA Head of Internal Audit | Conference Call | 11:00am | 2/2/2011 | |
| 20 | | Global Head of Market Risk | New York | 1:00pm | 2/2/2011 | |
| 21 | | NA Chief Credit Officer | New York | 2:00pm | 2/2/2011 | |
| 22 | | Risk Monitoring Supervisor | New York | 10:00am | 2/3/2011 | |
| 23 | | Global Head of Credit and European CRO | Conference Call | 11:00am | 2/3/2011 | |

Appendix C: MF Global, Inc. – Individuals Interviewed

| # | MF Global Name | Title/Functional Area | Location | Time (Local) | Interview Date | Promontory Interviewer(s) |
|----|----------------|--|----------|--------------|----------------|---------------------------|
| 24 | (b)(6) | Daily Risk Committee Meeting | New York | 2:00pm | 2/3/2011 | (b)(6) |
| 25 | | NA Head of Risk | New York | 3:00pm | 2/3/2011 | |
| 26 | | Head of Compliance Training | New York | 11:00am | 2/8/2011 | |
| 27 | | Global Head of Risk Methodologies | New York | 2:00pm | 2/8/2011 | |
| 28 | | Global Head of Operational Risk | New York | 10:00am | 2/9/2011 | |
| 29 | | Independent Contractor, lead on eLimits | New York | 12:00pm | 2/9/2011 | |
| 30 | | Global Head of Client Solutions, General Counsel, respectively | New York | 9:00am | 2/10/2011 | |
| 31 | | US Head of Assurances and Compliance | Chicago | 9:00am | 2/15/2011 | |
| 32 | | US Head of Assurances and Compliance | Chicago | 10:00am | 2/15/2011 | |
| 33 | | US Head of AML | Chicago | 11:00am | 2/15/2011 | |
| 34 | | AVP Compliance | Chicago | 1:00pm | 2/15/2011 | |
| 35 | | Regulatory Inquiries | Chicago | 2:00pm | 2/15/2011 | |
| 36 | | SVP Electronic Trading/DMA Head of Trade Support | Chicago | 9:00am | 2/16/2011 | |
| 37 | | Global Head - First Line Trade Support | Chicago | 10:00am | 2/16/2011 | |
| 38 | | President, VP Trade Center Ops, and US Head of Assurances and Compliance, respectively | Chicago | 11:00am | 2/16/2011 | |
| 39 | | Client On-Boarding and Head of Client On-Boarding, respectively | Chicago | 1:00pm | 2/16/2011 | |
| 40 | | SVP Electronic Trading/DMA Head of Trade Support, Global Head - First Line Trade Support, respectively | Chicago | 2:00pm | 2/16/2011 | |
| 41 | | Chicago Margin Supervisor | Chicago | 4:30pm | 2/16/2011 | |
| 42 | | VP Operations | Chicago | 8:30am | 2/17/2011 | |
| 43 | | Quantitative Analysis | Chicago | 10:00am | 2/17/2011 | |
| 44 | | Head of NA Development | Chicago | 11:00am | 2/17/2011 | |
| 45 | | NA Head of Risk | New York | 11:00am | 2/23/2011 | |
| 46 | | Global Head of IT | New York | 12:30pm | 2/23/2011 | |

Appendix C: MF Global, Inc. – Individuals Interviewed

| # | MF Global Name | Title/Functional Area | Location | Time (Local) | Interview Date | Promontory Interviewer(s) |
|----|----------------|---------------------------------------|----------|--------------|----------------|---|
| 47 | (b)(6) | President and Chief Operating Officer | New York | 1:30pm | 3/21/2011 | Doug Harris, Peter Holmes, Evelyn Fuhrer, DJ Hennes and Joe Medioli |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|--|--------|------------------------------|--|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| | | (b)(4) | | | |
| Undertakings - Risk Monitoring | a | | | Y | E |
| Undertakings - Branch Offices | b | | | Y | E |
| Undertakings - Technology Applications and Solutions | c | | | Y | E |
| Undertakings - Risk Monitoring | d | | | Y | E |
| | | | procedures into the IMF Global Direct Market Access Approval Policy dated November 2010 ("DMA Policy"), strengthening risk monitoring systems, particularly the Risk Informer, Risk Metrics and TEO Rainbow applications, and working with futures exchanges to either introduce or strengthen pre-trade controls at the exchange level for DMA traders. | | |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|--|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Undertakings - Risk Monitoring | e | | | (b)(4) Y | E |
| Undertakings - Compliance Testing and Monitoring | f | | | Y | E |
| Undertakings - Compliance Testing and Monitoring | g | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Undertakings - Risk Management (Compliance) | h | | (b)(4) | Y | E |
| Undertakings - Risk Management (Compliance) | i | | | Y | E |
| Undertakings - Risk Management (Compliance) | j | | | Y | E |
| Undertakings - Risk Management (Compliance) | k | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|--|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Undertakings - Risk Management (Compliance) | l | | (b)(4) | Y | E |
| Undertakings - Technology Applications and Solutions | m | | | Y | E |
| Undertakings - Compliance Governance | n | | | Y | E |
| Undertakings - Compliance Training | o | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---|---------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Undertakings - Compliance Training | o (i) | | | (b)(4) Y | E |
| Undertakings - Compliance Training | o (ii) | | | Y | E |
| Undertakings - Compliance Training | o (iii) | | | Y | E |
| Undertakings - Risk Management (Compliance) | p | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Risk Monitoring | 1 | | | (b)(4) Y | E |
| Risk Monitoring | 2 | | | Y | E |
| Risk Monitoring | 3 | | | Y | E |
| Risk Monitoring | 4 | | | Y | E |
| HR Policies - Hiring, Training and Compensation | 5 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|--------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Risk Monitoring | 6 | | | (b)(4) Y | E |
| Risk Monitoring | 7(a) | | | Y | E |
| Risk Monitoring | 7(b) | | | Y | E |
| Risk Monitoring Staffing | 8 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|--------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Risk Monitoring Staffing | 9 | | (b)(4) | Y | E |
| Risk Monitoring Staffing | 10 | | | Y | E |
| Risk Monitoring Staffing | 11 | | | Y | E |
| Personal Trading | 12 | | | Y | E |
| Personal Trading | 13 | | | | |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|----------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Software Development | 14 | (b)(4) | | Y | E |
| Branch Offices | 15 | | | Y | E |
| Branch Offices | 16 | | | Y | E |
| Branch Offices | 17 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|-----------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Risk Management (Generally) | 18 | | (b)(4) | Y | E |
| Risk Management (Generally) | 19 | | | Y | E |
| Risk Management (Generally) | 20 | | | Y | E |
| Credit Risk Management | 21 | | | Y | E-EP |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Operational Risk Management | 22 | | | (b)(4) Y | E |
| New Product and Business Approval Processes | 23 | | | Y | E |
| Compliance Testing and Monitoring | 24 | | | Y | E |
| Compliance Testing and Monitoring | 25 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|-----------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Futures Activities | 26 | | (b)(4) | Y | E |
| Futures Activities | 27 | | | Y | E |
| Securities Activities | 28 | | | | |
| Securities Activities | 29 | | | | |
| Securities Activities | 30 | | | | |
| Securities Activities | 31 | | | | |
| Securities Activities | 32 | | | Y | E |
| Securities Activities | 33 | | | | |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Corporate Governance | 34 | | (b)(4) | Y | E |
| Executive or Senior Management Oversight and Corporate Governance | 35 | | | Y | E |
| Internal Audit | 36 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| HR Policies - Hiring, Training and Compensation | 37 | | | (b)(4) Y | E |
| HR Policies - Hiring, Training and Compensation | 38 | | | Y | E |
| HR Policies - Hiring, Training and Compensation | 39 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---------------------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Technology Applications and Solutions | 40 | | | (b)(4) Y | E-EP |
| Technology Applications and Solutions | 41 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---------------------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Technology Applications and Solutions | 42 | | | (b)(4) Y | E |
| Technology Applications and Solutions | 43 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---------------------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Technology Applications and Solutions | 44 | | | (b)(4) Y | E |
| Risk Monitoring - Margin | 45 | | | Y | E |

Appendix D: MF Global, Inc. – Assessment of Implementation of Undertakings and Recommendations

| Category | Rec. # | Undertaking / Recommendation | Comments | Implementation | |
|---------------------------------------|--------|------------------------------|----------|----------------|------------------------------|
| | | | | Complete [Y/N] | Effectiveness [NE/PE/E/E-EP] |
| Technology Applications and Solutions | 46 | (b)(4) | | Y | E |