

MF Global Ltd.  
Form S-3  
March 06, 2009  
Table of Contents

As filed with the Securities and Exchange Commission on March 6, 2009

Registration No. 333-

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

Washington, D.C. 20549

**FORM S-3**  
**REGISTRATION STATEMENT**

*UNDER*

*THE SECURITIES ACT OF 1933*

**MF GLOBAL LTD.**

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

**Bermuda**  
*(State or Other Jurisdiction of*  
  
*Incorporation or Organization)*

**98-0551260**  
*(I.R.S. Employer*  
  
*Identification Number)*

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**Clarendon House**

**2 Church Street**

**Hamilton HM 11, Bermuda**

**(441) 295-5950**

*(Address, including zip code, and telephone number,  
including area code, of registrant's principal executive offices)*

**Howard Schneider, Esq.**

**717 Fifth Avenue**

**New York, NY 10022**

**(212) 589-6200**

*(Name, address, including zip code, and telephone number,  
including area code, of agent for service)*

*Copies to:*

**David B. Harms, Esq.**

**Catherine M. Clarkin, Esq.**

**Sullivan & Cromwell LLP**

**125 Broad Street**

**New York, NY 10004**

**(212) 558-4000**

**Approximate date of commencement of proposed sale to the public:** From time to time after the effective date of this registration statement.

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If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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

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

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

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

Large accelerated filer  Accelerated filer   
 Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

### CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share(1)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(1)
Common Shares, par value \$1.00 per share(1) Rights(2)	22,252,667	\$4.10	\$91,235,934.70	\$3,586.00

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(c) under the Securities Act of 1933, as amended, and based on the average of the high and low sale prices of the common shares reported on the New York Stock Exchange Composite Tape on March 5, 2009, a date within five (5) business days of the initial filing of this Registration Statement.

(2) Each common share includes one common share purchase right as described under Description of Share Capital Shareholder Rights Plan .  
**The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.**

**Table of Contents**

**The information in this prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.**

PROSPECTUS

**Subject to Completion. Dated March 6, 2009**

22,252,667 Shares

Common Shares

This prospectus relates to 22,252,667 common shares of MF Global Ltd. that may be offered for sale from time to time by the selling shareholder, Man Group UK Limited, a subsidiary of Man Group plc. The selling shareholder may sell the shares in amounts, at prices and on terms that will be determined at the time of sale. The registration of these shares does not necessarily mean that any of the shares will be offered or sold by the selling shareholder.

Each time common shares are offered pursuant to this prospectus, you will, if necessary or required, be provided with a prospectus supplement attached to this prospectus. The prospectus supplement will contain more specific information about the offering, and may add, update or change information contained in this prospectus.

The selling shareholder may offer and sell common shares directly, through agents, dealers or underwriters as designated from time to time, or through a combination of these methods. If any agents, dealers or underwriters are involved in the sale of any of our common shares, the applicable commissions or discounts will, to the extent not set forth herein, be described in a prospectus supplement. See Plan of Distribution for a further description of the manner in which the selling shareholder may dispose of the shares covered by this prospectus.

The selling shareholder will receive all of the net proceeds from the sales of the common shares made pursuant to this prospectus and will pay all underwriting discounts and selling commissions, if any, applicable to those sales. We will not receive any proceeds from sales of any of these shares.

We are registering these shares to satisfy certain registration rights of the selling shareholder.

Our common shares are currently listed on the New York Stock Exchange under the symbol MF. The selling shareholder may periodically sell these shares directly or through agents, underwriters or dealers. On March 5, 2009, the closing sale price of our common shares on the New York Stock Exchange was \$4.08 per share.

You should carefully read this prospectus and any applicable prospectus supplement, together with the documents incorporated by reference, before you invest in our common shares.

***See Risk Factors beginning on page 5 of this prospectus, page 25 of our Annual Report on Form 10-K for the year ended March 31, 2008 and on page 80 of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2008, which are incorporated herein by reference, to read about factors you should consider before buying any of our common shares.***

**Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

Prospectus dated , 2009

**Table of Contents**

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS AND ANY ACCOMPANYING PROSPECTUS SUPPLEMENT INCLUDING THE INFORMATION INCORPORATED BY REFERENCE HEREIN AS DESCRIBED UNDER INCORPORATION OF CERTAIN INFORMATION BY REFERENCE , OR ANY FREE WRITING PROSPECTUS THAT WE PREPARE AND DISTRIBUTE. NEITHER WE NOR THE SELLING SHAREHOLDER HAVE AUTHORIZED ANYONE TO PROVIDE YOU WITH INFORMATION DIFFERENT FROM THAT CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS AND ANY ACCOMPANYING PROSPECTUS SUPPLEMENT OR ANY FREE WRITING PROSPECTUS. THIS PROSPECTUS, ANY ACCOMPANYING PROSPECTUS SUPPLEMENT AND ANY FREE WRITING PROSPECTUS MAY BE USED ONLY FOR THE PURPOSES FOR WHICH THEY HAVE BEEN PUBLISHED, AND NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION NOT CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS, ANY ACCOMPANYING PROSPECTUS SUPPLEMENT OR ANY FREE WRITING PROSPECTUS. IF YOU RECEIVE ANY OTHER INFORMATION, YOU SHOULD NOT RELY ON IT. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN OR INCORPORATED BY REFERENCE INTO THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE COVER PAGE OF THIS PROSPECTUS. NEITHER WE NOR THE SELLING SHAREHOLDER ARE MAKING AN OFFER OF THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER IS NOT PERMITTED.

## TABLE OF CONTENTS

	<b>Page</b>
<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	1
<u>Incorporation of Certain Information by Reference</u>	1
<u>Forward-Looking Statements</u>	3
<u>MF Global Ltd.</u>	4
<u>Risk Factors</u>	5
<u>Description of Share Capital</u>	6
<u>Use of Proceeds</u>	20
<u>Principal and Selling Shareholder</u>	21
<u>Plan of Distribution</u>	22
<u>Material Bermuda and U.S. Federal Income Tax Considerations</u>	24
<u>Validity of the Common Shares</u>	30
<u>Experts</u>	30

Consent under the Exchange Control Act 1972 (and its related regulations) has been obtained from the Bermuda Monetary Authority for the issue and transfer of the common shares to and between residents and non-residents of Bermuda for exchange control purposes, provided that our shares remain listed on an appointed stock exchange, which includes the New York Stock Exchange. In granting such consent, the Bermuda Monetary Authority accepts no responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this prospectus or any accompanying prospectus supplement.

## **Table of Contents**

### **ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or SEC, using a shelf registration process. Under this shelf process, the selling shareholder may sell the securities described in this prospectus in one or more offerings. Each time the selling shareholder sells securities, if required we will provide a prospectus supplement together with this prospectus that will contain specific information about the terms of the offering. The accompanying prospectus supplement, if any, may also add, update or change information contained in this prospectus. If information varies between this prospectus and any accompanying prospectus supplement, you should rely on the information in such accompanying prospectus supplement. You should read both this prospectus and any accompanying prospectus supplement together with the additional information described under **Where You Can Find More Information**.

### **WHERE YOU CAN FIND MORE INFORMATION**

We are required to file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any documents filed by us at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public through the SEC's Internet site at <http://www.sec.gov>.

We have filed with the SEC a registration statement on Form S-3 relating to the securities covered by this prospectus. This prospectus is a part of the registration statement and does not contain all of the information in the registration statement. Whenever a reference is made in this prospectus to a contract or other document of ours, please be aware that the reference is only a summary and that you should refer to the exhibits that are a part of the registration statement for a copy of the contract or other document. You may review a copy of the registration statement at the SEC's public reference room in Washington, D.C., as well as through the SEC's Internet site.

### **INCORPORATION OF CERTAIN INFORMATION BY REFERENCE**

The SEC's rules allow us to incorporate by reference information into this prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus and before the date that the offering of the securities by means of this prospectus is terminated will automatically update and, where applicable, supersede any information contained in this prospectus or incorporated by reference in this prospectus.

We incorporate by reference into this prospectus the following documents or information filed by us with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

- (1) Annual Report on Form 10-K for the fiscal year ended March 31, 2008, filed on June 13, 2008 (File No. 001-33590);
- (2) Quarterly Reports on Form 10-Q for the fiscal quarters ended June 30, 2008, September 30, 2008 and December 31, 2008, filed on August 13, 2008, November 12, 2008 and February 11, 2009, respectively (File No. 001-33590);
- (3) Current Report on Form 8-K, dated April 1, 2008 and filed on April 2, 2008 (File No. 001-33590);
- (4) Current Report on Form 8-K, dated May 20, 2008 and filed on May 23, 2008 (File No. 001-33590);
- (5) Current Report on Form 8-K, dated June 13, 2008 and filed on June 17, 2008 (File No. 001-33590);
- (6) Current Report on Form 8-K, dated June 20, 2008 and filed on June 26, 2008 (File No. 001-33590);

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- (7) Current Report on Form 8-K, dated and filed on July 18, 2008 (File No. 001-33590);
  
- (8) Current Report on Form 8-K, dated July 29, 2008 and filed on July 30, 2008 (File No. 001-33590);



**Table of Contents**

- (9) Current Report on Form 8-K, dated and filed on August 7, 2008 (File No. 001-33590);
- (10) Current Report on Form 8-K, dated August 7, 2008 and filed on August 13, 2008 (File No. 001-33590);
- (11) Current Report on Form 8-K, dated September 10, 2008 and filed on September 11, 2008 (File No. 001-33590);
- (12) Current Report on Form 8-K, dated October 28, 2008 and filed on October 29, 2008 (File No. 001-33590);
- (13) Current Report on Form 8-K, dated October 23, 2008 and filed on October 29, 2008 (File No. 001-33590);
- (14) Current Report on Form 8-K, dated December 12, 2008 and filed on December 18, 2008 (File No. 001-33590);
- (15) Current Report on Form 8-K, dated January 26, 2009 and filed on January 30, 2009 (File No. 001-33590);
- (16) The description of our share capital contained in the Registration Statement on Form F-1 (File No. 333-143395), as amended, which description is incorporated by reference in our Registration Statement on Form 8-A, dated July 13, 2007 (File No. 001-33590), filed with the SEC under 12(b) of the Securities Exchange Act of 1934, and which description is amended by the description contained in this prospectus;
- (17) Definitive Proxy Statement on Schedule 14A for the Annual General Meeting of Shareholders on July 28, 2008 and filed on June 17, 2008 (File No. 001-33590); and
- (18) All documents filed by us under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or after the date of this prospectus and before the termination of the applicable offering.

We will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered, upon his or her written or oral request, a copy of any or all documents referred to above which have been or may be incorporated by reference into this prospectus excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You can request those documents from Investor Relations, 717 5<sup>th</sup> Avenue, New York, NY 10022, telephone 1-800-596-0523, email [investorrelations@mfglobal.com](mailto:investorrelations@mfglobal.com).

When we refer to *we*, *our* or *us* in this prospectus we mean MF Global Ltd. and its consolidated subsidiaries.

In addition, *Man Group* refers to Man Group plc, a U.K. public limited company, and its subsidiaries.

**Table of Contents**

**FORWARD-LOOKING STATEMENTS**

We have included or incorporated by reference in this prospectus statements that may constitute forward-looking statements within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. It is possible that our actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements. See Risk Factors below for information regarding important factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements.

**Table of Contents**

**MF GLOBAL LTD.**

We believe we are the leading intermediary offering customized solutions in global cash, derivatives and related markets. We provide our clients with fast, cost-effective trade execution and clearing services for derivative and cash products across a broad range of markets, including interest rates, equities, foreign exchange, energy and metals as well as agricultural and other commodities, throughout most of the world's major financial centers. We provide our clients with market access through our brokers, relationships with introducing brokers and online trading platforms. Our clients include institutions, hedge funds and other asset managers, as well as professional traders and private clients. We have offices in New York, London, Chicago, Paris, Mumbai, Singapore, Sydney, Toronto, Tokyo, Hong Kong, Taipei, Dubai, and other locations.

Our business is based on a diversified yet fully integrated business model that allows us to offer a variety of products across a broad range of markets, geographic regions and clients and through multiple distribution channels. We operate and manage our business as a single operating segment. We do not manage our business by services or product lines, market types, geographic regions, client segments or any other exclusive category. We derive revenues from four main sources: commissions from agency execution; commissions from clearing services; markups from principal transactions, primarily consisting of client trades executed on a matched-principal basis; and net interest income. We derive net interest income on cash balances in our clients' accounts, most of which are maintained by our clearing clients to meet margin requirements, as well as interest related to our fixed income and principal transactions activities.

Our principal executive offices are located at 717 Fifth Avenue, New York, New York 10022 and our registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

**Table of Contents**

**RISK FACTORS**

Before you invest in any common shares, in addition to the other information in this prospectus, you should carefully consider the risk factors contained in Item 1(A) under the caption "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008 and our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2008, which are incorporated in this prospectus by reference (and in any of our annual or quarterly reports for a subsequent fiscal year or fiscal quarter that we file with the SEC and that are so incorporated). See "Available Information" above for information about how to obtain a copy of these documents.

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**Table of Contents**

**DESCRIPTION OF SHARE CAPITAL**

*The following descriptions are summaries of the material terms of our certificate of incorporation, memorandum of association and bye-laws, which we refer to in this prospectus as our "by-laws". They may not contain all of the information that is important to you. To understand them fully, you should read our certificate of incorporation, memorandum of association and bye-laws, copies of which are filed with the SEC. The following descriptions are qualified in their entirety by reference to the certificate of incorporation, memorandum of association, bye-laws and certain applicable law.*

**General**

We are an exempted company incorporated under the laws of Bermuda. We are registered with the Registrar of Companies in Bermuda under registration number 39998. We were incorporated on May 3, 2007 under the name MF Global Ltd.

**Authorized Share Capital**

Our authorized share capital consists of 1,000,000,000 common shares, \$1.00 par value per share, and 200,000,000 preference shares, \$1.00 par value per share.

**Common Shares**

As of January 31, 2009, we had 120,666,519 common shares outstanding. Of the 1,000,000,000 authorized common shares, we have agreed to reserve 24,000,000 for issuance under the 2007 Long Term Incentive Plan and 1,200,000 for issuance under the MF Global Ltd. Employee Stock Purchase Plan and our U.K. Sharesave Plan. Pursuant to an investment agreement with an affiliate of J.C. Flowers & Co. LLC ( "JC Flowers" ), until the date on which all of our series A preference shares, par value \$1.00 per share (the "Series A Preference Shares" ) are converted into common shares, we have agreed that we will at all times have reserved for issuance a sufficient number of shares of authorized and unissued common shares to effectuate the conversion of the Series A Preference Shares without regard to any limit on such conversion. In addition, we will at all times have reserved for issuance a sufficient number of authorized and unissued common shares to effectuate the conversion of our series B preference shares, par value \$1.00 per share (the "Series B Preference Shares" ), and our 9.00% convertible notes due 2038 (the "Notes" ), both of which are convertible into our common shares. As of January 31, 2009, our Series A Preference Shares, Series B Preference Shares and Notes may be converted, at any time, into a total of approximately 46.4 million common shares. Accordingly, common shares issued upon conversion of our Series A Preference Shares, Series B Preference Shares or Notes may cause immediate and potentially substantial dilution to our shareholders. For a description of the terms of our Series A Preference Shares, Series B Preference Shares and Notes, including the manner in which the conversion rates for each of these securities may be adjusted, see below under "Preference Shares" Series A Preference Shares and Series B Preference Shares and, with respect to our Notes, see our Current Report on 8-K dated June 20, 2008 and filed on June 26, 2008, which is incorporated herein by reference.

Our common shares carry the following rights:

*Voting.* Each holder of common shares is entitled to one vote for each common share owned of record on all matters submitted to a vote of our shareholders. Except as otherwise required by law, holders of common shares will vote together as a single class on all matters presented to the shareholders for their vote or approval, including the election of directors. There are no cumulative voting rights with respect to the election of directors or any other matters. Our board of directors has adopted corporate governance guidelines (the "Corporate Governance Guidelines" ) requiring that directors be elected by a majority of votes cast in uncontested elections. Please see "Bermuda Law and our By-Laws" Board of Directors for additional information concerning the election of directors.

## **Table of Contents**

*Dividends and distributions.* The holders of common shares have the right to receive dividends and distributions, whether payable in cash or otherwise, as may be declared from time to time by our board of directors, from legally available funds.

*Liquidation, dissolution or winding-up.* In the event of our liquidation, dissolution or winding-up, holders of common shares are entitled to share equally in the assets available for distribution after payment of all creditors and the liquidation preferences of our preference shares (if any).

*Restrictions on transfer.* Neither our memorandum of association, nor our by-laws contains any restrictions on the transfer of our common shares (other than any shares subject to calls as described below). In the case of any transfer of shares, there may be restrictions imposed by applicable securities laws.

*Redemption, conversion or preemptive rights.* Holders of our common shares have no redemption rights, conversion rights or preemptive rights to purchase or subscribe for our securities.

*Other Provisions.* There are no redemption provisions or sinking fund provisions applicable to our common shares. Our common shares are, however, subject to calls only to the extent that they are not fully paid for upon their issuance. That is, if our common shares are issued for consideration that is less than the purchase price, our board of directors may, from time to time, make calls upon the holders of such shares to pay us any unpaid amounts on such shares. We do not anticipate issuing any common shares subject to calls.

The rights, preferences, and privileges of the holders of our common shares are subject to, and may be adversely affected by, the rights of the holders of any series of preference shares that we may designate and issue in the future.

## **Preference Shares**

As of January 31, 2009, we have 1,500,000 Series A Preference Shares issued and outstanding and 1,500,000 Series B Preference Shares issued and outstanding. Our board of directors is authorized to divide the preference shares into series and, with respect to each series, to determine the designations and the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, including the dividend rights, conversion or exchange rights, voting rights, redemption rights and terms, liquidation preferences, sinking fund provisions and the number of shares constituting the series. Our board of directors could, without shareholder approval, issue preference shares with voting and other rights that could adversely affect the voting power of the holders of common shares and which could have certain anti-takeover effects.

### ***Series A Preference Shares***

The rights, preferences and privileges of the Series A Preference Shares are set forth in the form of Certificate of Designations of Cumulative Convertible Preference Shares, Series A, which is filed as an exhibit to our Annual Report on Form 10-K for the fiscal year ended March 31, 2008.

The Series A Preference Shares may be converted, at the Series A shareholders' option, at any time into common shares, at the rate of eight common shares per Series A Share. We have the right to cause some or all of the Series A Preference Shares to be converted into common shares at any time after May 15, 2013, if, for any 20 trading days within a period of 30 trading days, the closing price of the common shares exceeds 125% of the conversion price, provided that the common shares issued upon conversion are freely tradeable and may be immediately resold by the Series A shareholder. The Series A Preference Shares are initially convertible into common shares at a rate of \$12.50 per common share. The conversion rate is subject to adjustment upon certain dilution events. In connection with any conversion, the Series A shareholders will be entitled to receive any accumulated, unpaid dividends.

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**Table of Contents**

Dividends on the Series A Preference Shares are payable quarterly, in cash, on a cumulative basis, if, as and when declared by our board of directors out of legally available funds, commencing with the dividend period relating to the dividend payment date on August 15, 2008, at an annual rate of 6% of the liquidation preference of the Series A Preference Shares. Holders of the Series A Preference Shares will also be entitled to participate in any dividends (other than dividends in common shares) paid on the common shares, on an as-converted basis. Dividends that are not declared and paid accumulate and accrue dividends at the annual rate of 6%. The initial dividend rate on the Series A Preference Shares was increased from the original rate of 6% to 10.725%. We may pay unpaid and accumulated dividends in the form of cash or common shares (valued at 95% of volume-weighted average price over 10 trading days), at our option. We are prohibited from paying any dividend with respect to our common shares and from repurchasing or redeeming our common shares or other junior securities, subject to certain exceptions, unless full accumulated dividends are paid on the Series A Preference Shares.

The Series A Preference Shares are not redeemable by holders of the Series A Preference Shares. Holders of the Series A Preference Shares are entitled to vote with the common shareholders on all matters submitted to a vote of the common shareholders, which includes the right to vote for the election of directors at any annual meeting, voting together with the common shareholders as a single class, on an as-converted basis. Holders of the Series A Preference Shares are also entitled to vote, to the exclusion of the common shareholders and the holders of the Series B Preference Shares, on certain matters that affect the rights and privileges of the Series A Preference Shares. Holders of the Series A Preference Shares have the right, together with other parity securities having similar voting rights including the Series B Preference Shares, to elect two directors if dividends have not been paid in full for six quarterly dividend periods, whether consecutive or not.

In the event of our liquidation, dissolution or winding up, the holders of the Series A Preference Shares will have the right to receive a liquidation distribution out of any assets available for distribution after payments to creditors, and before any distribution in respect of our common shares, in an amount equal to the greater of (1) the liquidation preference amount (\$100 per share plus accumulated and unpaid dividends) and (2) the amount they would receive if they had converted their Series A Preference Shares into common shares prior to liquidation.

***Series B Preference Shares***

The rights, preferences and privileges of the Series B Preference Shares are set forth in the form of Certificate of Designations of Non-Cumulative Convertible Preference Shares, Series B, which is filed as an exhibit to our Current Report on Form 8-K, dated June 20, 2008, and filed on June 26, 2008.

We pay dividends on the Series B Preference Shares, when, as and if declared by our board of directors, quarterly in arrears at a rate of 9.75% per year. Dividends on the Series B Preference Shares are not cumulative and may be paid in cash, common shares or both. The Series B Preference Shares are convertible, at the holder's option, at any time, initially into 9.5694 of our common shares based on an initial conversion price of approximately \$10.45 per share, subject in each case to specified adjustments. The conversion rate will also be adjusted upon the occurrence of certain make-whole acquisition transactions and other events. On or after July 1, 2018, if the closing price of our common shares exceeds 250% of the then-prevailing conversion price of the Series B Preference Shares for 20 trading days during any consecutive 30 trading day period, we may, at our option, cause the Series B Preference Shares to be automatically converted into common shares at the then-prevailing conversion price.

The Series B Preference Shares rank with respect to dividend rights and rights upon our liquidation, winding-up or dissolution: (i) senior to all of our common shares and any of our other share capital issued in the future the terms of which expressly provide that it ranks junior to the Series B Preference Shares; (ii) on a parity with our Series A Preference Shares, and with any of our preference share capital issued in the future, the terms of which do not expressly provide that it will rank junior or senior to the Series B Preference Shares; and (iii) junior to all of our share capital issued in the future, the terms of which expressly provide that such shares will rank senior to the Series B Preference Shares (subject to certain approval rights of the holders of the Series B Preference Shares).

The Series B Preference Shares have special veto rights that will, in certain circumstances, prohibit us from issuing or repurchasing our common shares without first obtaining the prior written consent of the holders of two-thirds of the outstanding Series B Preference Shares.

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## **Table of Contents**

### **Bermuda Law and Our By-Laws**

We are an exempted company organized under the Bermuda Companies Act 1981, as amended (the Companies Act ). The rights of our shareholders are governed by Bermuda law and our memorandum of association and by-laws. The Companies Act differs in some important respects from laws generally applicable to U.S. corporations and their shareholders. The following is a summary of material provisions of Bermuda law, our organizational documents and, where applicable, comparison of Bermuda law to similar provisions of the corporate law of the State of Delaware, which applies to many U.S. corporations.

The description of our common shares is subject to the matters described in the following paragraphs.

### ***Board of Directors***

The number of directors that comprise our board of directors is determined only by our board of directors. The board of directors may change the number of directors from time to time, subject to a minimum of three and a maximum of 15 directors. Our board of directors currently has eight members. Our by-laws do not specify a mandatory retirement age for our directors, but our Corporate Governance Guidelines provide that it is expected that any director reaching the age of 72 shall retire after completing the term to which he or she was elected. Our board of directors may, on a case-by-case basis, determine that a director may serve beyond the age of 72. Furthermore, our board of directors may consider candidates who are older than the age of 72 in the event of unique circumstances or needs of our board of directors.

The board of directors has the exclusive power to nominate those directors who will stand for election. Our shareholders will be entitled to propose to our Nominating and Corporate Governance Committee those directors (if any) whom they wish to nominate for election, but the committee is not bound to act on any such recommendations. Under our by-laws, persons nominated by the board of directors may then be elected as directors by a plurality of shareholder votes cast at a meeting. Vacancies on our board of directors, including those due to newly created seats, may be filled only by our board of directors. A director may be removed from our board of directors only for cause and upon a vote of shareholders owning at least 66<sup>2</sup>/<sub>3</sub>% of all issued and outstanding shares. The Companies Act permits a Bermuda company to divide its board of directors into multiple classes having staggered terms of up to three years each, although our board of directors has not been divided into classes.

Notwithstanding the foregoing, we have adopted, in our Corporate Governance Guidelines, an election process by which directors, other than in a contested election , must receive the affirmative vote of a majority of the votes cast in favor of such director s election at a meeting of shareholders as a condition precedent to election. In connection with the foregoing, a majority of the votes cast shall mean that the number of votes cast for a director s election exceeds the number of votes cast against that director s election, with abstentions not counted as votes cast either for or against that director s election. In a contested election, the persons receiving the most votes cast (i.e. a plurality of the votes cast) in the election (up to the number of directors to be elected) shall be elected as directors. An election shall be considered contested if there are more nominees for election than positions on our board of directors to be filled by election at the meeting. In any non-contested election of directors, in the event that any incumbent director nominee does not receive a majority of the votes cast, our board of directors shall use its authority granted under our by-laws, through a process managed by our board s Nominating and Corporate Governance Committee, to fill the resulting vacancy.

Our directors are not required to own any of our common shares in order to qualify for a position on our board of directors. Our board of directors at all times has the power to determine the compensation of its directors.

### ***Man Group s Contingent Right to Appoint a Director***

In connection with our reorganization, separation and recapitalization, we entered into a master separation agreement with Man Group that governs the principal terms of the separation of our business from Man Group. Under the master separation agreement, for as long as Man Group retains at least 5% of our common shares (but in no event beyond 30 months after our initial public offering or after any change of control of Man Group), we will not be permitted to repurchase any of our outstanding common shares or take any other action that would cause Man Group s share ownership (direct or indirect) to rise to 20% or more, without its consent. If we breach this limitation,



**Table of Contents**

we will amend our by-laws to provide that Man Group shall have the right to appoint one member of our board of directors. The Man Group appointee may not be removed from the board of directors except by Man Group and any vacancy caused by the removal, resignation, retirement or disqualification of the Man Group appointee may be filled only with a director approved by Man Group. These provisions will automatically terminate, and the Man Group appointee will cease to serve as a director (unless the board of directors extends his term to the next annual general meeting), when Man Group ceases to beneficially own at least 20% of our issued and outstanding common shares. In order to facilitate Man Group's appointment rights, our by-laws will then provide for a special class of common shares that will be issued to and may be owned only by Man Group (or its subsidiaries) and will carry the special appointment rights. When the appointment rights terminate, we will repurchase and cancel this special class in accordance with a repurchase agreement that we will enter into with Man Group.

***J.C. Flowers' Right to Appoint Directors***

Pursuant to an investment agreement, J.C. Flowers has the right to nominate up to two individuals to serve as directors on our board in accordance with our memorandum of association and by-laws, subject to certain conditions. J.C. Flowers has already exercised this right with respect to one individual, who was nominated and subsequently appointed to serve on our board on July 29, 2008.

So long as J.C. Flowers is the beneficial owner of Series A Preference Shares, or any common shares issued upon the conversion of the Series A Preference Shares, that in the aggregate represent at least 10% of the common shares then issued and outstanding, J.C. Flowers will be entitled to designate two representatives to be nominated for election to our board of directors and we will be required to use our reasonable best efforts to cause such nominees to be elected to our board, in each case for a term that expires upon the next annual meeting of shareholders or at such earlier time (if any) such nominee may resign, retire, die or be removed as a director. As described above, J.C. Flowers has exercised this right with respect to one representative on our board. Alternatively, so long as J.C. Flowers is the beneficial owner of Series A Preference Shares, or any common shares issued upon the conversion of the Series A Preference Shares, that in the aggregate represent at least 5% but less than 10% of our issued and outstanding common shares, J.C. Flowers will be entitled to designate one representative to be nominated for election to our board and we will be required to use our reasonable best efforts to cause such nominee to be elected at such meeting, for a term that expires upon the next annual meeting of members or at such earlier time (if any) as the nominee may resign, retire, die or be removed as a director. The board of directors may withhold the approval of any such designee in certain circumstances.

The J.C. Flowers representative(s) on the board of directors shall be entitled to serve on committees of the board of directors in accordance with the governance practices and procedures of the board of directors (including the discretionary nomination and selection process) on a basis comparable to that on which other directors serve as committee members.

***Contingent Right of the Holders of the Series A Preference Shares and the Series B Preference Shares to Appoint Directors upon a Failure to Pay Dividends***

If we have not paid the dividends required by the Series A Preference Shares or the Series B Preference Shares for six quarterly periods (whether or not consecutive), the holders of the Series A Preference Shares and the Series B Preference Shares have the right, together with holders of other parity securities having similar voting rights and to the exclusion of the common shareholders, to elect two directors to our board of directors. These directors are in addition to the directors described above in *J.C. Flowers' Right to Appoint Directors*.

***Special Veto Rights of Series B Preference Shares***

Without the prior written consent of the holders of two-thirds of the outstanding Series B Preference Shares, we will be prohibited from (i) issuing new common shares to any person or group within the meaning of Section 13(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) that has become, or as a result of such issuance would become, the direct or indirect ultimate beneficial owner, as defined in Rule 13d-3 of the Exchange Act, of MF Global common shares representing more than 50% of the voting power of MF Global common shares or (ii) repurchasing any of our outstanding common shares at a time when a person or group (as defined above) has become the direct or indirect ultimate beneficial owner (as defined above) of more than 50%

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**Table of Contents**

of the voting power of MF Global common shares, in each case (i) and (ii) until the earlier of such time when (x) such person or group ceases to beneficially own 50% of the voting power of MF Global common shares or (y) a make-whole acquisition has occurred. Notwithstanding the foregoing, the prior written consent of two-thirds of the holders of the outstanding Series B Preference Shares will be required only to the extent the current market price of MF Global common shares over the 10 consecutive trading days preceding such acquisition does not exceed \$150 (subject to adjustment).

***Interested Directors***

Under Bermuda law and our by-laws, a transaction we enter into in which a director has an interest will not be voidable by us, and such director will not be liable to us for any profit realized pursuant to such transaction, provided the nature of the interest is disclosed at the first opportunity at a meeting of directors, or in writing to the directors. In addition, our by-laws allow a director to be taken into account in determining whether a quorum is present and to vote on a transaction in which the director has an interest following a declaration of the interest pursuant to the Companies Act. Under Delaware law, such transaction would not be voidable if (i) the material facts with respect to such interested director's relationship or interest are disclosed or are known to the board of directors, and the board of directors in good faith authorizes the transaction by the affirmative vote of a majority of the disinterested directors, (ii) such material facts are disclosed or are known to the shareholders entitled to vote on such transaction, and the transaction is specifically approved in good faith by vote of the majority of shares entitled to vote thereon, or (iii) the transaction is fair to the corporation as of the time it is authorized, approved or ratified. Under Delaware law, such interested director could be held liable for a transaction in which such director derived an improper personal benefit.

***Duties of Directors***

Under Bermuda law, members of a board of directors owe a fiduciary duty to the company to act in good faith in their dealings with or on behalf of the company and exercise their powers and fulfill the duties of their office honestly. This duty includes the following elements: (i) a duty to act in good faith in the best interests of the company; (ii) a duty not to make a personal profit from opportunities that arise from the office of director; (iii) a duty to avoid conflicts of interest; and (iv) a duty to exercise powers for the purpose for which such powers were intended. The Companies Act also imposes a duty on directors and officers of a Bermuda company to (i) act honestly and in good faith with a view to the best interests of the company; and (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the Companies Act imposes various duties on directors and officers of a company with respect to certain matters of management and administration of the company. Our by-laws provide that our business is to be managed and conducted by our board of directors.

In addition, the Companies Act provides that in any proceedings for negligence, default, breach of duty or breach of trust against any officer, if it appears to a court that such officer is or may be liable in respect of the negligence, default, breach of duty or breach of trust, but that he has acted honestly and reasonably, and that, having regard to all the circumstances of the case, including those connected with his appointment, he ought fairly to be excused for the negligence, default, breach of duty or breach of trust, that court may relieve him, either wholly or partly, from any liability on such terms as the court may think fit. This provision has been interpreted to apply only to actions brought by or on behalf of the company against such officers.

Under Delaware law, a company's directors are charged with a fiduciary duty of care to protect the interests of the corporation and a fiduciary duty of loyalty to act in the best interests of its shareholders. The duty of care requires that directors act in an informed and deliberate manner and inform themselves, prior to making a business decision, of all relevant material information reasonably available to them. The duty of care also requires that directors exercise care in overseeing and investigating the conduct of corporate employees. The duty of loyalty may be summarized as the duty to act in good faith, not out of self-interest, and in a manner which the director reasonably believes to be in the best interests of the shareholders. A party challenging the propriety of a decision of a board of directors bears the burden of rebutting the applicability of the presumptions afforded to directors by the business judgment rule. If the presumption is not rebutted, the business judgment rule attaches to protect the directors and their decisions. Where, however, the presumption is rebutted, the directors bear the burden of demonstrating the fairness of the relevant transaction. Notwithstanding the foregoing, Delaware courts subject directors' conduct to enhanced scrutiny in respect of defensive actions taken in response to a threat to corporate control and approval of a transaction resulting in a sale of control of the corporation.

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**Table of Contents*****Dividends***

Under Bermuda law, a company may not declare or pay dividends if there are reasonable grounds for believing that (i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realizable value of its assets would thereby be less than the aggregate of its liabilities, its issued share capital and its share premium accounts. Issued share capital is the aggregate par value of the company's issued shares, and the share premium account is the aggregate amount paid for issued shares over and above their par value. Share premium accounts may be reduced in certain limited circumstances. Under our by-laws, each common share is entitled to dividends if, as and when dividends are declared by our board of directors, subject to any preference dividend right of the holders of any preference shares. Under Delaware law, subject to any restrictions contained in the company's certificate of incorporation, a company may pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which the dividend is declared and for the preceding fiscal year. Delaware law also provides that dividends may not be paid out of net profits at any time when capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets.

***Voting Rights***

Under Bermuda law, the voting rights of shareholders are regulated by the company's by-laws and, in certain circumstances, the Companies Act. Our by-laws generally provide that all matters to be voted on by shareholders, including mergers and the sale of all or substantially all of the company's assets, must be approved by a majority of shareholder votes cast at a meeting, provided that directors may be elected by only a plurality of shareholder votes cast at a meeting. Also, our by-laws contain heightened shareholder voting requirements to remove directors, as described above in *Bermuda Law and our By-Laws Board of Directors*. Under Delaware law, unless a company's certificate of incorporation or by-laws provide otherwise, the affirmative vote of a plurality of shares present in person or represented by proxy at the meeting and entitled to vote is required for the election of directors, the affirmative vote of holders of a majority of shares then issued and outstanding is required for specified extraordinary transactions and to amend the certificate of incorporation and the affirmative vote of holders of a majority of shares present in person or represented by proxy at the meeting and entitled to vote is required for all other stockholder action.

***Advance Notice of Shareholder Proposals***

The Companies Act provides that shareholders who wish to propose resolutions for consideration at a meeting of shareholders must give at least six weeks of advance notice of their proposals. Our by-laws provide that notice of shareholder proposals must be given in writing to our secretary during a specific period prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices (i) in the case of an annual general meeting, not less than 90 days nor more than 120 days prior to the first anniversary date of the annual general meeting for the preceding year and (ii) in the case of a special meeting, not more than five days following the day on which notice of the special meeting was mailed or the date that the special meeting is publicly announced (but in no event later than the day before the meeting), whichever occurs first.

***Special Meetings of Shareholders***

The Companies Act requires companies to permit shareholders who hold 10% or more of the aggregate voting power of the company as of the date they deliver notice to the company calling for a special meeting to cause the board of directors to convene a special meeting. Our by-laws provide that our shareholders whose holdings meet this 10% threshold may call a special meeting of shareholders. Delaware law permits the board of directors or any person who is authorized under a corporation's certificate of incorporation or by-laws to call a special meeting of shareholders.

## **Table of Contents**

### ***Notice of Shareholder Meetings***

Bermuda law requires that shareholders be given at least five days' advance notice of any general meeting. Our by-laws provide that we must give our shareholders written notice of any annual meeting of shareholders at least 10 days, and of any special meeting of shareholders at least five days, prior to the meeting. Notices may be given by mail, by personal delivery, by telecopier or electronically and will be deemed given at the time when such notice would be delivered in the ordinary course of transmission. Our failure to give notice to any particular shareholder will not invalidate notice given to any other shareholder. Under Delaware law, a company is generally required to give written notice of any meeting not less than 10 days nor more than 60 days before the date of the meeting to each shareholder entitled to vote at the meeting.

### ***Conduct of Meetings***

Bermuda law provides that a company's by-laws may contain provisions relating to the conduct of annual and special meetings and our by-laws provide that the chairman of our board of directors (or another director) is authorized to serve as chairman of shareholder meetings.

### ***Action by Written Consent of Shareholders***

The Companies Act provides that, unless otherwise provided in a company's by-laws, shareholders may take any action by resolution in writing provided that notice of such resolution is circulated, along with a copy of the resolution, to all shareholders who would be entitled to attend a meeting and vote on the resolution. Such resolution in writing must be signed by the shareholders of the company who, at the date of the notice, represent such majority of votes as would be required if the resolution had been voted on at a meeting of the shareholders. The Companies Act provides that the following actions may not be taken by resolution in writing: (i) the removal of the company's auditors and (ii) the removal of a director before the expiration of his or her term of office. Our by-laws provide that any action that may have been taken by common shareholders at a meeting (other than the actions referred to in the preceding sentence) may instead be taken by the unanimous written consent of all common shareholders who would have been entitled to attend such meeting and vote on the relevant matter. Except as otherwise provided in the certificate of incorporation, Delaware law permits shareholders to take action by consent in writing of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting of shareholders at which all shares entitled to vote thereon were present and voted.

### ***Amendment of By-laws***

The Companies Act provides that the directors may amend our by-laws provided that any amendments are also submitted to a general meeting of the company and approved at such meeting. Our by-laws provide that no by-law shall be rescinded, altered or amended, and no new by-law shall be made, unless it shall have been approved by a resolution of our board of directors and by a resolution of our shareholders. Unlike many U.S. jurisdictions, the by-laws cannot be amended without both board and shareholder approval. In addition, under Bermuda law, holders of an aggregate of not less than 20% in par value of a company's issued share capital have the right to apply to the Supreme Court of Bermuda for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting, other than an amendment that alters or reduces a company's share capital as provided in the Companies Act. Under Delaware law, holders of a majority of the voting power of a corporation and, if so provided in the certificate of incorporation, the directors of the corporation, each have the power to adopt, amend and repeal the by-laws of a corporation. Because shareholders of a Bermuda company cannot amend the by-laws without board approval, the by-laws of a Bermuda company are akin to a certificate of incorporation of a Delaware corporation.

### ***Mergers and Similar Arrangements***

The amalgamation of a Bermuda company with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to be approved by the company's board of directors and by its shareholders. Unless the company's by-laws provide otherwise, the Companies Act requires the approval of 75% of the shareholders voting at such meeting to approve the amalgamation agreement, and the quorum for such

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## **Table of Contents**

meeting must be at least two persons holding or representing more than one-third of the issued shares of the company. Our by-laws require that any amalgamation, as well as any other transaction having a similar effect, such as a merger or consolidation with a non-Bermuda company or a scheme of arrangement, or any sale of all or substantially all of our assets in one or a series of transactions, must be approved by our board of directors and by our shareholders, but only, in the latter case, by a majority of shareholder votes cast at the meeting at which the transaction is considered. Under our by-laws, no shareholder approval would be required, however, for any transaction in which the holders of our issued and outstanding voting shares immediately prior to the transaction continue to hold a majority of the issued and outstanding voting shares of the surviving entity immediately after the transaction. These provisions may have the effect of delaying, deferring or preventing a change of control through an amalgamation or a transaction having a similar effect. Under Delaware law, with certain exceptions, a merger, consolidation or sale of all or substantially all the assets of a corporation must be approved by the board of directors and a majority of the issued and outstanding shares entitled to vote thereon unless the certificate of incorporation provides a higher voting requirement.

### ***Appraisal Rights and Shareholder Suits***

Under Bermuda law, in the event of an amalgamation (or merger) of a Bermuda company with another company, a shareholder of the Bermuda company who did not vote in favor of the amalgamation and who is not satisfied that fair value has been offered for his or her shares in the Bermuda company may apply to the Bermuda Supreme Court within one month of notice of the shareholders' meeting, for appraisal of the fair value of his or her shares. Under Bermuda law and our by-laws, our amalgamation with another company or corporation (other than certain affiliated companies) requires the amalgamation agreement to first be approved and recommended by our board of directors and then approved by a majority of shareholder votes cast at a meeting at which the transaction is considered. Under Delaware law, a shareholder of a corporation participating in certain major corporate transactions will, under certain circumstances, be entitled to appraisal rights pursuant to which such shareholder may receive payment in the amount of the fair market value of the shares held by such shareholder (as determined by a court) in lieu of the consideration such shareholder would otherwise receive in the transaction.

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda Court, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong done to the company where the act complained of is alleged to be beyond the corporate power of the company or is illegal or would result in violation of the company's memorandum of association or by-laws. Furthermore, consideration would be given by the Bermuda Court to allegations of acts constituting fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company shareholders than the percentage of shareholders who actually approved it. Class actions and derivative actions generally are available to shareholders under Delaware law for, among other things, breach of fiduciary duty, corporate waste and actions not taken in accordance with applicable law. In such actions, the court generally has discretion to permit the winning party to recover attorney's fees incurred in connection with such actions.

When the affairs of a company are being conducted in a manner oppressive or prejudicial to the interests of some of the shareholders, one or more shareholders may apply to the Bermuda Court for an order regulating the company's conduct of affairs in the future or ordering the purchase of the shares of any shareholder, by other shareholders or by the company.

Our by-laws also limit the ability of our shareholders to make claims or bring lawsuits against our directors and officers. See *Limitation of Liability and Indemnification Matters* below.

### ***Takeovers***

Bermuda law provides that where an offer is made for shares of a company and, within four months of the offer, the holders of not less than 90% of the shares that are the subject of the offer accept, the offeror may by notice require the non-tendering shareholders to transfer their shares on the terms of the offer. Dissenting shareholders may apply to the court within one month of the notice objecting to the transfer. The burden is on the dissenting shareholders to show that the court should exercise its discretion to enjoin the required transfer, which the court will be unlikely to do unless there is evidence of fraud or bad faith or collusion between the offeror and the holders of the

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## **Table of Contents**

shares who have accepted the offer as a means of unfairly forcing out minority shareholders. Delaware law provides that a parent corporation, by resolution of its board of directors and without any shareholder vote, may merge with any subsidiary of which it owns at least 90% of each class of capital shares. Upon any such merger, dissenting shareholders of the subsidiary would have appraisal rights.

### ***Discontinuance***

Under Bermuda law, an exempted company may be discontinued and be continued in a jurisdiction outside Bermuda as if it had been incorporated under the laws of that other jurisdiction. Our by-laws provide that our board of directors may exercise all our power to discontinue to another jurisdiction without the need of any shareholder approval.

### ***Share Repurchases***

The Companies Act permits a company to purchase its own shares if authorized to do so by its memorandum of association or by-laws. Our by-laws allow us to purchase our own shares for cancellation or to acquire them as treasury shares on such terms as our board of directors may authorize, without obtaining prior shareholder approval. Our ability to repurchase our common shares may be limited by the special veto rights of the holders of the notes, as discussed above under *Description of Notes Special Veto Rights*, and of the holders of the Series B Preference Shares.

### ***Blank Check Preference Shares***

Our authorized share capital includes 200,000,000 authorized preference shares of which 1,500,000 shares have been issued as Series A Preference Shares and 1,500,000 have been issued as Series B Preference Shares. The existence of authorized but unissued preference shares may enable our board of directors to delay, defer or prevent a change in control of us by means of an amalgamation, merger, tender offer, proxy contest or otherwise. In this regard, our by-laws grant our board of directors broad power to establish the rights and preferences of authorized and unissued preference shares. The issuance of preference shares with a liquidation preference could decrease the amount of earnings and assets available for distribution to holders of common shares. The issuance may also adversely affect the rights and powers, including voting rights, of such holders and may have the effect of delaying, deterring or preventing a change in control. The board of directors currently does not intend to seek shareholder approval prior to any issuance of preference shares, unless otherwise required by law.

### ***Variation of Shareholder Rights***

If at any time we have more than one class of shares, the rights attaching to any class, unless otherwise provided by the terms of issue of the relevant class, may be varied either (i) with the consent in writing of the holders of 75% in nominal value of the issued shares of that class; or (ii) with the sanction of a resolution passed by a majority of the votes cast at a general meeting of the relevant class of shareholders at which a quorum consisting of at least two persons holding or representing one-third of the issued shares of the relevant class is present. Our by-laws specify that the creation or issuance of shares ranking equally with existing shares will not, unless expressly provided by the terms of issue of those shares, vary the rights attached to existing shares. In addition, the creation or issuance of preference shares ranking prior to common shares will not be deemed to vary the rights attached to common shares.

### ***Access to Books and Records and Dissemination of Information***

Under Bermuda law, members of the general public have a right to inspect the public documents of a company, such as its memorandum of association. The shareholders have the additional right to inspect the by-laws of the company, minutes of general meetings of shareholders and the company's audited financial statements. The register of members of a company is also open to inspection by shareholders and the general public. The register of members is required to be open for inspection for not less than two hours in any business day (subject to the ability of a company to close the register of members for not more than thirty days in a year). We are required to maintain our share register in Bermuda but may keep a branch register outside of Bermuda. We are required to keep at our

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## **Table of Contents**

registered office a register of directors and officers that is open for inspection for not less than two hours in any business day. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records. Delaware law permits any shareholder to inspect or obtain copies of a corporation's shareholder list and its other books and records for any purpose reasonably related to such person's interest as shareholder.

### ***Limitation of Liability and Indemnification Matters***

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability that by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, unless their liability resulted from fraud or dishonesty.

We have adopted provisions in our by-laws that provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. The indemnity extends to all actions, costs, charges, losses, damages and other expenses incurred in defending against or investigating any lawsuit, proceeding or claim. This indemnity is broader than that which is permitted under Delaware law, for failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. In the view of the SEC and some prior case law, the operation of this provision as a waiver of the right to sue for violations of federal securities laws should not be enforceable in U.S. courts. However, our shareholders should not assume that they will be able to bring lawsuits against our directors and officers. In addition, this waiver provision is broader than that which is permitted under Delaware law, for example, which allows for waivers of claims only against directors, and not in respect of any breach of their duty of loyalty, bad faith, willful misconduct or improper self-dealing, among other things.

Section 98A of the Companies Act and our by-laws permit us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director.

### ***Certain Provisions of Bermuda Law***

We have been designated by the Bermuda Monetary Authority as a non-resident for Bermuda exchange control purposes. This designation allows us to engage in transactions in currencies other than the Bermuda dollar, and there are no restrictions on our ability to transfer funds (other than funds denominated in Bermuda dollars) in and out of Bermuda or to pay dividends to non-Bermuda residents who are holders of our common shares.

The Bermuda Monetary Authority has given its consent for the issuance and free transferability of all of the common shares that are the subject of this offering to and between residents and non-residents of Bermuda for exchange control purposes, provided that our shares remain listed on an appointed stock exchange, which includes the NYSE. Approvals or permissions given by the Bermuda Monetary Authority do not constitute a guarantee by the Bermuda Monetary Authority as to our performance or our creditworthiness. Accordingly, in giving such consent or permission, the Bermuda Monetary Authority shall not be liable for the financial soundness, performance or default of our business or for the correctness of any opinions or statements expressed in this prospectus. Certain issues and transfers of common shares involving persons deemed resident in Bermuda for exchange control purposes require the specific consent of the Bermuda Monetary Authority.

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## **Table of Contents**

In accordance with Bermuda law, share certificates are issued only in the names of companies, partnerships or individuals. In the case of a shareholder acting in a special capacity (for example as a trustee), our share certificates may, at the request of the shareholder, record the capacity in which the shareholder is acting. Notwithstanding such recording of any special capacity, we are not bound to investigate or see to the execution of any such trust. We will take no notice of any trust applicable to any of our shares, whether or not we have been notified of such trust.

### **Shareholder Rights Plan**

Our board of directors adopted a shareholder rights plan prior to our initial public offering. Pursuant to our shareholder rights plan, one common share purchase right was issued for each of our issued and outstanding common shares. The issued rights are subject to the terms of our shareholder rights plan. Our rights plan will expire on the third anniversary of the completion of our initial public offering unless renewed by our board of directors.

The shareholder rights plan is intended to give our board of directors increased power to negotiate in our best interests and to discourage appropriation of control of us at a price that is unfair to our shareholders. It is not intended to prevent fair offers for acquisition of control determined by our board of directors to be in our best interests, nor is it intended to prevent a person or group from obtaining representation on or control of our board of directors through a proxy contest, or to relieve our board of directors of its fiduciary duty to consider any proposal for our acquisition made in good faith.

In general terms, our shareholder rights plan works by imposing a significant penalty upon any person or group that acquires 15% or more of our issued and outstanding common shares without the approval of our board of directors. For this purpose, Man Group is excluded from this provision until such time as the number of common shares it owns falls below this 15% threshold, subject to certain exceptions. In addition, we amended the shareholder rights plan to provide that J.C. Flowers (including any affiliate of J.C. Flowers) will also be excluded from this provision after the first time it becomes the beneficial owner of 15% or more of our common shares, and until such time as either it falls below the threshold or becomes the owner of 20% or more of our common shares.

We provide below a description of the material provisions of our shareholder rights plan. However, this description is only a summary of the material provisions and should be read together with our entire shareholder rights plan, as amended, which is filed as an exhibit to our Registration Statement on Form F-1 filed with the SEC on July 6, 2007, and as amended by an exhibit filed in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008.

Our rights trade with, and are inseparable from, our common shares and are evidenced only by certificates that represent our common shares. Until the date on which the rights are distributed or our rights plan expires as described below, any common shares we issue in the future will also be accompanied by rights.

Each of our rights will allow its holder to purchase from us one common share for \$150, which we refer to as the exercise price, once the rights become exercisable. Prior to exercise, a right does not give its holder any dividend, voting or liquidation rights.

Our rights will not be exercisable until the earlier of:

ten business days (or an earlier or later date determined by our board of directors before our rights become exercisable) after we publicly announce that a person or group has become an acquiring person by obtaining beneficial ownership of 15% or more of our issued and outstanding common shares; or

ten business days (or an earlier or later date determined by our board of directors before our rights become exercisable) after an acquiring person obtains beneficial ownership of more than 25% of our issued and outstanding common shares; or



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**Table of Contents**

ten business days (or a later date determined by our board of directors before our rights become exercisable) after a person or group begins a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

In light of the substantial ownership positions of Man Group and J.C. Flowers, our shareholder rights plan, as amended, contains provisions excluding each of them individually, together with their existing and future affiliates, from the operation of the adverse terms of our shareholder rights plan until such time as they respectively beneficially own less than 15% of our issued and outstanding shares.

Until the date our rights become exercisable, our common share certificates also evidence our rights, and any transfer of our common shares constitutes a transfer of our rights. After that date, our rights will separate from our common shares and be evidenced by book-entry credits or by rights certificates that we will mail to all eligible holders of our common shares. Any of our rights held by an acquiring person are void and may not be exercised.

On the earlier to occur of (i) ten business days after the first date on which we make a public announcement that a person has become an acquiring person (or such earlier or later date as our board of directors may determine prior to such occurrences), or (ii) ten business days after the date and time on which any acquiring person becomes the beneficial owner of more than 25% of our issued and outstanding common shares (or such earlier or later date as our board of directors may determine prior to such occurrences), then each right, excluding rights held by the acquiring person, will entitle the holder to purchase that number of common shares having a market value at that time equal to two times the exercise price. This provision, which we refer to as a flip-in, would not apply if, among other things:

a person acquires 15% or more of the common shares without any plan or intention to seek or affect control of us and if such person promptly thereafter disposes of enough common shares to bring his beneficial ownership to below 15%, or

we acquire our common shares and, as a result, a shareholder's holding reaches the 15% threshold. In this case, the flip-in provision would not apply unless the shareholder subsequently becomes the owner of more of the common shares than issued and outstanding. In addition, if any person becomes an acquiring person and controls our board of directors and either:

we are involved in an amalgamation, merger or similar transaction in which the acquiring person is a party, or shares held by the acquiring person are treated differently from shares held by others, or

we sell or otherwise transfer 50% or more of the assets or earning power.

then each right will entitle the holder to purchase, for the exercise price, a number of shares of the other party to the transactions described above, which we refer to as the flip-over entity, having a market value equal to two times the exercise price. Thereafter, the flip-over entity will be liable for, and will be obligated to assume, all of our obligations and duties with respect to the shareholder rights plan.

Our board of directors may redeem our rights for \$0.01 per right at any time before a flip-in occurs. If our board of directors redeems any of our rights, it must redeem all of our rights. Once our rights are redeemed, the only right of the holders of our rights will be to receive the redemption price of \$0.01 per right. The redemption price will be adjusted if we have a share split or share dividends of our common shares.

After a person or group becomes an acquiring person, but before an acquiring person owns 50% or more of our issued and outstanding common shares, our board of directors may extinguish our rights by exchanging one of our common shares for each right, other than rights held by the acquiring person.

Our board of directors may adjust the exercise price, the number and type of securities or other property issuable on exercise and the number of our outstanding rights to prevent dilution that may occur from a share dividend, a share split, a reclassification of our common shares or a similar transaction. No adjustments to the purchase price of our common shares of less than 1% will be made.

**Table of Contents**

The terms of our shareholder rights plan may be amended by our board of directors without the consent of the holders of our rights. After a flip-in occurs, our board of directors may not amend the agreement in a way that adversely affects holders of our rights.

**Listing**

Our common shares are listed on the New York Stock Exchange and trade under the symbol MF .

**Transfer Agent**

The transfer agent for our Series A Preference Shares, Series B Preference Shares and our common shares is Computershare Trust Company, N.A.

**Table of Contents**

**USE OF PROCEEDS**

All common shares being offered by this prospectus will be sold by the selling shareholder, Man Group UK Limited. See [Principal and Selling Shareholder](#) and [Plan of Distribution](#) . We will not receive any proceeds from the sale of common shares by the selling shareholder.

**Table of Contents****PRINCIPAL AND SELLING SHAREHOLDER**

The following table sets forth, as of the date of this prospectus, the number of common shares beneficially owned by Man Group plc and the maximum number of common shares that the selling shareholder may offer for sale by this prospectus. We do not know when or in what amounts the selling shareholder may offer common shares for sale. The selling shareholder may or may not sell all or any of the shares offered by this prospectus. In preparing the table below we have assumed that the selling shareholder will sell all of the common shares covered by this prospectus. Each sale of common shares by the selling shareholder may, if required, be accompanied by a supplement to this prospectus, which will update the disclosure regarding the selling shareholder or the supplemental plan of distribution in order to describe the specific manner and amount of sales of those shares.

The selling shareholder had contractual rights to require us to file the registration statement of which this prospectus is a part. All other material relationships between us and the selling shareholder are described under the section "Certain Relationships and Related Transactions" in our Definitive Proxy Statement on Schedule 14A for the Annual General Meeting of Shareholders on July 28, 2008, which is incorporated herein by reference.

Name and Address of Beneficial Owner	Shares Beneficially Owned Prior to Offering		Shares Covered by this Prospectus	Shares Beneficially Owned After Offering	
	Shares	%		Shares	%
Man Group plc*	22,252,667	18.5%	22,252,667	0	0%

\* Man Group plc's address is Sugar Quay, Lower Thames Street, London EC3R 6DU, United Kingdom. Man Group plc is the beneficial owner of all of the common shares being offered for sale pursuant to this prospectus, all of which are owned of record by Man Group UK Limited, a subsidiary of Man Group plc. Beneficial ownership is determined in accordance with the rules of the SEC and the table above reflects publicly available information filed with the SEC by Man Group plc.

**Table of Contents**

**PLAN OF DISTRIBUTION**

This prospectus relates to common shares that may be offered and sold from time to time by the selling shareholder (or by such selling shareholder's pledgees, donees, transferees or other successors-in-interest) directly or, alternatively, through broker-dealers acting as underwriters, dealers or agents. We have registered the shares for resale to provide the selling shareholder with freely tradable securities. However, the registration of common shares does not necessarily mean that the selling shareholder will offer or sell any of the common shares.

To the extent required, the type and amount of common shares the selling shareholder proposes to sell, the purchase price and the names of any underwriter relating to a particular offering will be set forth in the applicable prospectus supplement.

The common shares may be sold on the New York Stock Exchange, in the over-the-counter market or otherwise, in one or more transactions at fixed prices (which may be changed), at prevailing market prices at the time of sale, at varying prices determined at the time of sale or at negotiated prices. The sales may be made by one or more, or a combination, of the following methods:

a block trade in which a broker-dealer will attempt to sell the shares as agent, but may resell all or a portion of the block as a principal to facilitate the transaction;

a broker-dealer may purchase the common shares as a principal and then resell the common stock for its own account;

an exchange distribution in accordance with the rules of the applicable exchange;

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

privately negotiated transactions;

by pledge to secure debts or other obligations;

through the issuance of derivative securities, including warrants, exchangeable securities, forward delivery contracts and the writing of options;

to cover hedging transactions;

underwritten offerings; or

any other legally available means.

In addition, the selling shareholder may enter into derivative transactions or forward sale agreements on common shares with third parties. In such event, the selling shareholder may pledge or otherwise transfer the common shares underlying such transactions to the counterparties under such agreements to secure the selling shareholder's delivery obligations. The counterparties may borrow or otherwise obtain common shares from the selling shareholder or third parties and sell such shares in a public offering. This prospectus may be delivered in conjunction with such sales. Upon settlement of such transactions, the selling shareholder may deliver common shares to the counterparties that, in turn, the counterparties may deliver to the selling shareholder or third parties, as the case may be, to close out any open borrowings of common shares. The counterparties in such transactions may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act of 1933 (the

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Securities Act ) and, to the extent required, will be identified in the applicable prospectus supplement.

Subject to the restrictions contained in any escrow or security arrangements for common shares underlying those arrangements, the selling shareholder and the counterparties may engage in derivative or hedging transactions involving the common shares in privately negotiated transactions. If the applicable prospectus supplement so indicates, in connection with those derivative or hedging transactions, the counterparties may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. In order to facilitate these transactions, the selling shareholder may enter into derivative transactions or security lending or repurchase agreements with the counterparties. If the applicable prospectus supplement indicates, the counterparties may use securities pledged by the selling shareholder, borrowed from the selling shareholder or others or otherwise transferred to any third party as collateral in short sale transactions or to close out any related open borrowings of common shares, and may use common shares received from the selling shareholder in settlement to close out any related open borrowings of common shares. A counterparty in such sale transactions may be deemed an underwriter within the meaning of Section 2(11) of the Securities Act in connection with the sales of the common shares and, to the extent required, will be identified in the applicable prospectus supplement.

In connection with sales of the common shares or otherwise, the selling shareholder may also enter into hedging transactions with broker-dealers, which may in turn engage in short sales of the common shares in the course of hedging the positions they assume. In this connection, the selling shareholder may also sell common shares short and deliver common shares to close out short positions, or loan or pledge common shares to broker-dealers that in turn may sell these securities.

The selling shareholder may select broker-dealers to sell common shares. Broker-dealers that the selling shareholder engage may arrange for other broker-dealers to participate in selling the common shares. The selling shareholder may give these broker-dealers commissions, discounts or other concessions in amounts to be negotiated at the time of sale. In connection with these sales and except as disclosed in the next paragraph, the participating broker-dealers, as well as the selling shareholder (and any such of the selling shareholder's pledgees, donees, transferees and other successors in interest), may be deemed to be underwriters within the meaning of Section 2(11) of the Securities Act in connection with the sales of the common shares.

Any commission, discount or other concession received by any underwriter and any profit on the resale of the shares received by them may be deemed to be underwriting discounts or commissions under the Securities Act. The applicable prospectus supplement will include any required information about underwriting compensation we or the selling shareholder pay to underwriters and any discounts, concessions or commissions underwriters allow to participating dealers, in connection with an offering of our common shares.

## **Table of Contents**

Any of the common shares held by the selling shareholder that qualify for sale pursuant to Rule 144 under the Securities Act may be sold under Rule 144 rather than pursuant to this prospectus. In addition, this prospectus may be used by broker-dealers to resell any such common shares that are being sold by the selling shareholder (or any such shareholder's successors in interest described above) pursuant to Rule 144. If the selling shareholder sells pursuant to Rule 144, the selling shareholder will not be deemed to be an underwriter under the Securities Act with respect to those sales.

We and the selling shareholder may enter into agreements with the participating broker-dealers in any underwritten public offering and, any counterparty under any derivative or forward sale transactions to indemnify them against certain civil liabilities, including liabilities under the Securities Act, or to contribute with respect to payments which such participating broker-dealers and counterparties may be required to make.

In connection with an offering, any participating broker-dealers may purchase and sell common shares in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the participating broker-dealers of a greater number of shares than they own or are required to purchase in an offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the common stock while an offering is in progress.

The participating broker-dealers also may impose a penalty bid. This occurs when a particular broker-dealer repays to the others a portion of the underwriting discount or other concession received by it because the broker-dealers have repurchased shares sold by or for the account of that broker-dealer in stabilizing or short-covering transactions.

The activities by any participating broker-dealers or by the counterparties under any derivative or forward sale transactions may stabilize, maintain or otherwise affect the market price of the common shares. As a result, the price of the common shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the participating broker-dealers or counterparties at any time. These transactions may be effected on the NYSE or any other exchange or automated quotation system, if the common shares are listed on that exchange or admitted for trading on that automated quotation system, or in the over-the-counter market or otherwise.

We have agreed to indemnify the selling shareholder against certain losses, claims, damages, liabilities, judgments, costs and expenses, including certain liabilities under the Securities Act.

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**Table of Contents**

**MATERIAL BERMUDA AND U.S. FEDERAL INCOME TAX CONSIDERATIONS**

**Bermuda Tax Considerations**

At the present time, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or by our shareholders in respect of our common shares. We have obtained an assurance from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 that, in the event that any legislation is enacted in Bermuda imposing any tax computed on profits or income, or computed on any capital asset, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not, until March 28, 2016, be applicable to us or to any of our operations or to our shares, debentures or other obligations except insofar as such tax applies to persons ordinarily resident in Bermuda or is payable by us in respect of real property owned or leased by us in Bermuda.

**U.S. Federal Income Tax Considerations**

This section describes the material U.S. federal income tax consequences of owning our common shares. It applies to you only if you acquire our common shares in this offering and you hold our common shares as capital assets for tax purposes. This section does not apply to you if you are a member of a special class of holders subject to special rules, including:

a dealer in securities,

a trader in securities that elects to use a mark-to-market method of accounting for securities holdings,

a tax-exempt organization,

a life insurance company,

a person liable for alternative minimum tax,

a U.S. expatriate,

a person that actually or constructively owns 10% or more of our voting shares,

a partnership or other pass-through entity, or a beneficial owner of a partnership or other pass-through entity,

a person that holds our common shares as part of a straddle or a hedging or conversion transaction, or

a U.S. holder (as defined below) whose functional currency is not the U.S. dollar.

This section is based on the Internal Revenue Code of 1986, as amended (the *Code*), its legislative history, existing and proposed regulations, published rulings by the U.S. Internal Revenue Service (the *IRS*) and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis. There is currently no comprehensive income tax treaty between the United States and Bermuda.

You are a U.S. holder if you are a beneficial owner of our common shares and you are:



a citizen or resident of the United States,

a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia),

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**Table of Contents**

an estate whose income is subject to U.S. federal income tax regardless of its source, or

a trust if (1) a U.S. court can exercise primary supervision over the trust's administration and one or more U.S. persons are authorized to control all substantial decisions of the trust; or (2) the trust has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person.

A non-U.S. holder is a beneficial owner of our common shares that is not a U.S. holder or a partnership for U.S. federal income tax purposes.

You should consult your own tax advisor regarding the U.S. federal, state and local and other tax consequences of owning and disposing of common shares in your particular circumstances.

*Taxation of Dividends*

U.S. Holders. Under the U.S. federal income tax laws, and subject to the passive foreign investment company rules discussed below, if you are a U.S. holder, the gross amount of any distribution on our common shares that we pay out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) is subject to U.S. federal income taxation. If you are a noncorporate U.S. holder, dividends paid to you in taxable years beginning before January 1, 2011 will constitute qualified dividend income taxable to you at a maximum tax rate of 15% provided that (i) you hold the common shares for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date and meet other eligibility requirements and (ii) our common shares are readily tradable on an established securities market in the United States (such as the New York Stock Exchange) in the year that you receive the dividend.

The dividend is taxable to you when you receive the dividend, actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. Distributions in excess of current and accumulated earnings and profits, as determined for U.S. federal income tax purposes, will be treated as a non-taxable return of capital to the extent of your basis in the common shares on a dollar for dollar basis and thereafter as capital gain. Notwithstanding the foregoing, we do not intend to maintain calculations of earnings and profits, as determined for U.S. federal income tax purposes, and consequently, any distributions generally must be reported as dividend income for U.S. federal income tax purposes.

Dividends paid with respect to our common shares will be income from sources outside the United States, but dividends paid in taxable years beginning after December 31, 2006 will, depending on your circumstances, be either passive or general income for purposes of computing the foreign tax credit generally allowable to you.

Non-U.S. Holders. If you are a non-U.S. holder, dividends paid to you in respect of our common shares will not be subject to U.S. federal income tax unless the dividends are effectively connected with your conduct of a trade or business within the United States. In such cases you generally will be taxed in the same manner as a U.S. holder. If you are a corporate non-U.S. holder, effectively connected dividends may, under certain circumstances, be subject to an additional branch profits tax at a 30% rate, unless reduced by an applicable income tax treaty with the United States.

*Taxation of Capital Gains*

U.S. Holders. Subject to the passive foreign investment company ( *PFIC* ) rules discussed below, if you are a U.S. holder and you sell or otherwise dispose of our common shares, you generally will recognize capital gain or loss for U.S. federal income tax purposes equal to the difference between the amount that you realize and your tax basis in the common shares. Capital gain of a noncorporate U.S. holder that is recognized in taxable years beginning before January 1, 2011 is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year. The deductibility of capital losses is subject to limitations. The gain or loss will generally be income or loss from sources within the United States for foreign tax credit purposes.

## Table of Contents

Non-U.S. Holders. If you are a non-U.S. holder, you will not be subject to U.S. federal income tax on gain recognized on the sale or other disposition of our common shares unless:

the gain is effectively connected with your conduct of a trade or business in the United States, or

you are an individual, you are present in the United States for 183 or more days in the taxable year of the sale and certain other conditions exist.

If you are a corporate non-U.S. holder, effectively connected gains that you recognize may also, under certain circumstances, be subject to an additional branch profits tax at a 30% rate, unless reduced by an applicable income tax treaty with the United States.

PFIC Rules. We believe that our common shares should not be treated as stock of a PFIC for U.S. federal income tax purposes, but this conclusion is a factual determination that is made annually and thus may be subject to change.

In general, if you are a U.S. holder, we will be a PFIC with respect to you if for any taxable year in which you held our common shares:

at least 75% of our gross income for the taxable year is passive income or

at least 50% of the value, determined on the basis of a quarterly average, of our assets is attributable to assets that produce or are held for the production of passive income.

Passive income, subject to certain exceptions, generally includes dividends, interest, royalties, rents (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a foreign corporation owns at least 25% by value of the stock of another corporation, the foreign corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation, and as receiving directly its proportionate share of the other corporation's income.

In general, if we are treated as a PFIC, and you are a U.S. holder that did not make a mark-to-market election, as described below, you will be subject to special rules with respect to:

any gain you realize on the sale or other disposition of our common shares and

any excess distribution that we make to you (generally, any distributions to you during a single taxable year that are greater than 125% of the average annual distributions received by you in respect of the common shares during the three preceding taxable years or, if shorter, your holding period for the common shares).

Under these rules:

the gain or excess distribution will be allocated ratably over your holding period for the common shares,

the amount allocated to the taxable year in which you realized the gain or excess distribution will be taxed as ordinary income,

the amount allocated to each prior year, with certain exceptions, will be taxed at the highest tax rate in effect for that year, and

the interest charge generally applicable to underpayments of tax will be imposed in respect of the tax attributable to each such year.

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**Table of Contents**

We do not intend to provide U.S. holders with such information as may be required to make a qualified electing fund election effective.

Special rules apply for calculating the amount of the foreign tax credit with respect to excess distributions by a PFIC.

If you own shares in a PFIC that are treated as marketable stock, you may make a mark-to-market election. Our common shares will be treated as marketable stock for a calendar year if they are regularly traded (within the meaning of applicable Treasury regulations) on a qualified exchange (which includes the New York Stock Exchange) during such calendar year. If you make this election, you will not be subject to the PFIC rules described above. Instead, in general, you will be required to include as ordinary income each year the excess, if any, of the fair market value of the common shares at the end of the taxable year over your adjusted basis in the common shares. These amounts of ordinary income will not be eligible for the favorable tax rates applicable to qualified dividend income or long-term capital gains. You will also be allowed to take an ordinary loss in respect of the excess, if any, of the adjusted basis of the common shares over their fair market value at the end of the taxable year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). Your basis in the common shares will be adjusted to reflect any such income or loss amounts. In addition, any gain or loss you recognize on the sale or other disposition of our common shares will be ordinary income or loss. A mark-to-market election cannot be revoked without the consent of the IRS unless our common shares cease to be marketable stock.

In addition, notwithstanding any election you make with regard to the common shares, dividends (if any) that you receive from us will not constitute qualified dividend income to you if we are a PFIC either in the taxable year of the distribution or the preceding taxable year. Moreover, our common shares will be treated as stock in a PFIC if we were a PFIC at any time during your holding period in the common shares, even if we are not currently a PFIC. For purposes of this rule, if you make a mark-to-market election with respect to the common shares, you will be treated as having a new holding period in the common shares beginning on the first day of the first taxable year beginning after the last taxable year for which the mark-to-market election applies. Any dividends that you receive that do not constitute qualified dividend income are not eligible for taxation at the 15% maximum rate applicable to qualified dividend income. Instead, you must include the gross amount of any such dividend paid by us out of our current and accumulated earnings and profits (as determined for U.S. federal income tax purposes) in your gross income, and it will be subject to tax at rates applicable to ordinary income.

If you own our common shares during any year that we are a PFIC with respect to you, you must file Internal Revenue Service Form 8621.

*Backup Withholding and Information Reporting*

If you are a noncorporate U.S. holder, information reporting requirements, on Internal Revenue Service Form 1099, generally will apply to:

dividend payments or other taxable distributions made to you within the United States, and

the payment of proceeds to you from the sale of our common shares effected at a U.S. office of a broker.

Additionally, backup withholding may apply to such payments if you are a non-corporate U.S. holder that:

fails to provide an accurate taxpayer identification number,

is notified by the Internal Revenue Service that you have failed to report all interest and dividends required to be shown on your federal income tax returns, or

in certain circumstances, fails to comply with applicable certification requirements.

**Table of Contents**

If you are a non-U.S. holder, you are generally exempt from backup withholding and information reporting requirements with respect to:

dividend payments made to you outside the United States by us or another non-U.S. payor and

other dividend payments and the payment of the proceeds from the sale of our common shares effected at a U.S. office of a broker, as long as the income associated with such payments is otherwise exempt from U.S. federal income tax, and:

the payor or broker does not have actual knowledge or reason to know that you are a U.S. person and you have furnished the payor or broker:

an Internal Revenue Service Form W-8BEN or an acceptable substitute form upon which you certify, under penalties of perjury, that you are a non-U.S. person, or

other documentation upon which it may rely to treat the payments as made to a non-U.S. person in accordance with U.S. Treasury regulations, or

you otherwise establish an exemption.

Payment of the proceeds from the sale of our common shares effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a sale of our common shares that is effected at a foreign office of certain brokers will be subject to information reporting and backup withholding if:

the proceeds are transferred to an account maintained by you in the United States,

the payment of proceeds or the confirmation of the sale is mailed to you at a U.S. address, or

the sale has some other specified connection with the United States as provided in U.S. Treasury regulations, unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above are met or you otherwise establish an exemption.

In addition, a sale of our common shares effected at a foreign office of a broker will be subject to information reporting, but not backup withholding, if the broker is:

a U.S. person,

a controlled foreign corporation for U.S. tax purposes,

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a foreign person 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period, or

a foreign partnership, if at any time during its tax year:

one or more of its partners are U.S. persons, as defined in U.S. Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership, or

such foreign partnership is engaged in the conduct of a U.S. trade or business,

**Table of Contents**

unless the broker does not have actual knowledge or reason to know that you are a U.S. person and the documentation requirements described above are met or you otherwise establish an exemption. Backup withholding will apply if the sale is subject to information reporting and the broker has actual knowledge that you are a U.S. person.

You generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed your income tax liability by filing a refund claim with the U.S. Internal Revenue Service.



**Table of Contents**

**VALIDITY OF THE COMMON SHARES**

The validity of the common shares offered hereby will be passed upon for us by Conyers Dill & Pearman, Hamilton, Bermuda. We are also being advised as to certain legal matters by Sullivan & Cromwell LLP, New York, New York.

**EXPERTS**

The financial statements as of March 31, 2008 and 2007 and for each of the three years in the period ended March 31, 2008 incorporated into this prospectus have been so incorporated by reference in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

**Table of Contents**

## PART II

**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution**

The following is a statement of the estimated expenses to be incurred by the registrant in connection with the distribution of the securities registered under this registration statement:

	<b>Amount to be paid</b>
SEC registration fee	\$ 3,586.00
FINRA filing fee	\$ 9,624.00
Legal fees and expenses	\$ 100,000.00
Accounting fees and expenses	\$ 30,000.00
Miscellaneous	\$ 5,000.00
Total	\$ 148,210.00

**Item 15. Indemnification of Directors and Officers**

Section 98 of the Companies Act provides generally that a Bermuda company may indemnify its directors, officers and auditors against any liability that by virtue of any rule of law would otherwise be imposed on them in respect of any negligence, default, breach of duty or breach of trust, except in cases where such liability arises from fraud or dishonesty of which such director, officer or auditor may be guilty in relation to the company. Section 98 further provides that a Bermuda company may indemnify its directors, officers and auditors against any liability incurred by them in defending any proceedings, whether civil or criminal, unless their liability resulted from fraud or dishonesty.

We have adopted provisions in our by-laws that provide that we shall indemnify our officers and directors in respect of their actions and omissions, except in respect of their fraud or dishonesty. The indemnity extends to all actions, costs, charges, losses, damages and other expenses incurred in defending against or investigating any lawsuit, proceeding or claim. This indemnity is broader than that which is permitted under Delaware law, for example, which allows a company to indemnify its officers and directors (other than in an action by or in the right of the corporation) only if such officer or director (i) acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the company and (ii) with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful.

Our by-laws also provide that our shareholders waive all claims or rights of action that they might have, either individually or by or in the right of the company, against any of our directors or officers for any act or failure to act in the performance of such director's or officer's duties, except in respect of any fraud or dishonesty of such director or officer. In the view of the SEC and some prior case law, the operation of this provision as a waiver of the right to sue for violations of federal securities laws should not be enforceable in U.S. courts. However, our shareholders should not assume that they will be able to bring lawsuits against our directors and officers. In addition, this waiver provision is broader than that which is permitted under Delaware law, for example, which allows for waivers of claims only against directors, and not in respect of any breach of their duty of loyalty, bad faith, willful misconduct or improper self-dealing, among other things.

Section 98A of the Companies Act and our by-laws permit us to purchase and maintain insurance for the benefit of any officer or director in respect of any loss or liability attaching to him in respect of any negligence, default, breach of duty or breach of trust, whether or not we may otherwise indemnify such officer or director. We intend to purchase and maintain a directors' and officers' liability policy for such a purpose.

Any underwriting agreement that we may enter into in connection with any sale of common shares by the selling shareholder may provide that the underwriters are obligated, under certain circumstances, to indemnify our directors, officers and controlling persons against certain liabilities, including liabilities under the Securities Act. To the extent that we and the selling shareholder enter into any such underwriting agreement, we will file the underwriting agreement as an Exhibit to a Current Report on Form 8-K, which will be incorporated by reference into this registration statement.



**Table of Contents**

**Item 16. Exhibits**

Exhibit No.	Description of Document
1.1	Form of Underwriting Agreement.*
4.1	Form of Certificate for Common Shares.**
4.2	Form of Rights Agreement between MF Global Ltd. and Computershare Trust Company, N.A., as Rights Agent.**
4.3	Amendment No. 1 to the Rights Agreement between MF Global Ltd. and Computershare Trust Company, N.A., as Rights Agent.***
5.1	Opinion of Conyers, Dill & Pearman regarding the validity of the securities being registered. §
8.1	Tax Opinion of Conyers, Dill & Pearman. §
8.2	Tax Opinion of Sullivan & Cromwell LLP. §
23.1	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm. §
23.2	Consent of Conyers, Dill & Pearman (included in Exhibits 5.1 and 8.1)
23.3	Consent of Sullivan & Cromwell LLP (included in Exhibit 8.2)
24.1	Power of Attorney (included on signature page).

\* If applicable, to be filed as an exhibit to a Current Report on Form 8-K and incorporated herein by reference.

\*\* Incorporated by reference to MF Global Ltd. s Registration Statement on Form F-1 (File No. 333-143395) filed on May 31, 2007, relating to MF Global Ltd. s initial public offering of its common shares, as amended.

\*\*\* Incorporated by reference to MF Global Ltd. s Annual Report on 10-K for the fiscal year ending March 31, 2008, filed on June 13, 2008.

§ Filed herewith.

**Item 17. Undertakings**

The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

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**Table of Contents**

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however*, that paragraphs (i), (ii) and (iii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

4. That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by a Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

5. That, for the purpose of determining liability of a Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, each undersigned Registrant undertakes that in a primary offering of securities of an undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of an undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of an undersigned Registrant or used or referred to by an undersigned Registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about an undersigned Registrant or its securities provided by or on behalf of an undersigned Registrant; and

**Table of Contents**

(iv) Any other communication that is an offer in the offering made by an undersigned Registrant to the purchaser.

6. That, for purposes of determining any liability under the Securities Act of 1933, each filing of Registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of each Registrant pursuant to the foregoing provisions, or otherwise, each Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by a Registrant of expenses incurred or paid by a director, officer or controlling person of a Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, that Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

**Table of Contents****SIGNATURES**

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on the 6th day of March, 2009.

MF GLOBAL LTD.

By: /s/ Bernard W. Dan  
 Name: Bernard W. Dan  
 Title: Director and Chief Executive Officer

The undersigned directors and officers do hereby constitute and appoint Bernard W. Dan and J. Randy MacDonald, and each of them, with full power of substitution, our true and lawful attorneys-in-fact and agents to do any and all acts and things in our name and behalf in our capacities as directors and officers, and to execute any and all instruments for us and in our names in the capacities indicated below, that such person may deem necessary or advisable to enable the Registrant to comply with the Securities Act of 1933 (the *Act*) and any rules, regulations and requirements of the Securities and Exchange Commission in connection with this registration statement, including specifically, but not limited to, power and authority to sign for us, or any of us, in the capacities indicated below, any and all amendments hereto (including pre-effective and post-effective amendments or any other registration statement filed pursuant to the provisions of Rule 462(b) under the Act); and we do hereby ratify and confirm all that such person or persons shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities indicated on the 6<sup>th</sup> day of March, 2009.

Signature	Title(s)
/s/ Bernard W. Dan Bernard W. Dan	Director and Chief Executive Officer (Principal Executive Officer)
/s/ Alison J. Carnwath Alison J. Carnwath	Non-Executive Chairman of the Board of Directors
/s/ Henri J. Steenkamp Henri J. Steenkamp	Chief Accounting Officer (Principal Accounting Officer)
/s/ J. Randy MacDonald J. Randy MacDonald	Chief Financial Officer (Principal Financial Officer)
/s/ Eileen S. Fusco Eileen S. Fusco	Director
/s/ Martin Glynn Martin Glynn	Director
/s/ Edward L. Goldberg Edward L. Goldberg	Director
/s/ David I. Schamis David I. Schamis	Director

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/s/ Lawrence M. Schloss  
Lawrence M. Schloss

Director

-5-



**Table of Contents**

/s/ Robert S. Sloan  
Robert S. Sloan

Director