

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

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

Date of Report (Date of earliest event reported): July 21, 2010

**LPL Investment Holdings Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other Jurisdiction of  
Incorporation)

**000-52609**

(Commission File Number)

**20-3717839**

(IRS Employer Identification No.)

**One Beacon Street  
Boston MA**

(Address of Principal Executive Offices)

**02108**

(Zip Code)

Registrant's telephone number, including area code: **(617) 423-3644**

**N/A**

(Former name or former address if changed since last report.)

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

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

### **Item 8.01. Other Events**

In connection with the proposed initial public offering of the common stock of LPL Investment Holdings Inc. (the “Company”), the Company is filing the following documents, each to be effective upon the consummation of the offering:

- the Company’s Second Amended and Restated Bylaws and
- a specimen common stock certificate.

The compensation committee of the Board of Directors also approved the LPL Financial Corporation Executive Severance Plan (the “Severance Plan”) and employment agreements with each of the following executive officers of the Company, the terms of each of which are described in the Company’s registration statement filed on June 4, 2010, as amended: Mark S. Casady; Esther M. Stearns; Stephanie L. Brown; William E. Dwyer III; and Robert J. Moore. The Severance Plan and employment agreements will become effective upon consummation of the offering.

Each of the documents or agreements described above are filed as exhibits to the Current Report on Form 8-K.

### **Item 9.01. Financial Statements and Exhibits.**

#### (d) Exhibits

- 3.1 The Company’s Second Amended and Restated Bylaws to be effective upon the consummation of the offering.
  - 4.1 Specimen common stock certificate.
  - 10.1 Amended and Restated Executive Employment Agreement among Mark S. Casady, the Company, LPL Holdings, Inc. and LPL Financial Corporation to be effective upon the consummation of the offering.
  - 10.2 Amended and Restated Executive Employment Agreement among Esther M. Stearns, the Company, LPL Holdings, Inc. and LPL Financial Corporation to be effective upon the consummation of the offering.
  - 10.3 Amended and Restated Executive Employment Agreement among Stephanie L. Brown, the Company, LPL Holdings, Inc. and LPL Financial Corporation to be effective upon the consummation of the offering.
  - 10.4 Amended and Restated Executive Employment Agreement among William E. Dwyer III, the Company, LPL Holdings, Inc. and LPL Financial Corporation to be effective upon the consummation of the offering.
  - 10.5 Executive Employment Agreement among Robert J. Moore, the Company, LPL Holdings, Inc. and LPL Financial Corporation to be effective upon the consummation of the offering.
  - 10.6 LPL Financial Corporation Executive Severance Plan to be effective upon the consummation of the offering.
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SIGNATURE

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

LPL INVESTMENT HOLDINGS INC.

By: /s/ Robert J. Moore

Name: Robert J. Moore

Title: Chief Financial Officer

Dated: July 23, 2010

**LPL INVESTMENT HOLDINGS INC. (the “Corporation”)**  
**SECOND AMENDED & RESTATED BYLAWS**

**SECTION 1 — STOCKHOLDERS**

Section 1.1. Annual Meeting.

An annual meeting of the stockholders for the election of directors to succeed those whose term expire and for the transaction of such other business as may properly come before the meeting shall be held at the place, if any, within or without the State of Delaware, on the date and at the time that the Board of Directors shall each year fix. Unless stated otherwise in the notice of the annual meeting of the stockholders of the Corporation, such annual meeting shall be at the principal office of the Corporation.

Section 1.2. Advance Notice of Nominations and Proposals of Business.

Following the first annual meeting of stockholders that occurs at least 90 days following the Corporation’s public announcement that Hellman & Friedman Capital Partners V, L.P., Hellman & Friedman Capital Partners V (Parallel), L.P., Hellman & Friedman Capital Associates V, L.P. (collectively, “H&F”) and TPG Partners IV, L.P. (“TPG”), together with their respective affiliates or successors (collectively, the “Sponsors”), have ceased collectively to beneficially own (directly or indirectly) 40% or more of the Corporation’s outstanding shares of common stock, the following provisions of this Section 1.2 shall apply:

(a) Nominations of persons for election to the Board of Directors and proposals for other business to be transacted by the stockholders at an annual meeting of stockholders may be made (i) pursuant to the Corporation’s notice with respect to such meeting (or any supplement thereto), (ii) by or at the direction of the Board of Directors or any committee thereof or (iii) by any stockholder of record of the Corporation who (A) was a stockholder of record at the time of the giving of the notice contemplated in Section 1.2(b), (B) is entitled to vote at such meeting and (C) has complied with the notice procedures set forth in this Section 1.2(a). Subject to Section 1.2(i), clause (iii) of this Section 1.2 shall be the exclusive means for a stockholder to make nominations or propose other business (other than matters properly brought pursuant to applicable provisions of federal law, including the Securities Exchange Act of 1934 (as amended from time to time, the “Act”)) before an annual meeting of stockholders.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 1.2(a), (i) the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation with the information contemplated by Section 1.2(c), and (ii) the business must be a proper matter for stockholder action under the General Corporation Law of the State of Delaware (the “DGCL”). The notice requirements of this Section 1.2 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Act and such stockholder’s proposal has been

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included in a proxy statement prepared by the Corporation to solicit proxies for such annual meeting.

(c) To be timely, a stockholder's notice must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation on a date (i) not later than the close of business on the 90<sup>th</sup> day nor earlier than the close of business on the 120<sup>th</sup> day prior to the anniversary date of the prior year's annual meeting or (ii) if there was no annual meeting in the prior year or if the date of the current year's annual meeting is more than 30 days before or after the anniversary date of the prior year's annual meeting, on or before 10 days after the day on which the date of the current year's annual meeting is first disclosed in a public announcement. In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period for the delivery of such notice. Such notice from a stockholder must state (i) as to each nominee that the stockholder proposes for election or reelection as a director, (A) all information relating to such nominee that would be required to be disclosed in solicitations of proxies for the election of such nominee as a director pursuant to Regulation 14A under the Act and such nominee's written consent to serve as a director if elected, and (B) a description of all direct and indirect compensation and other material monetary arrangements, agreements or understandings during the past three years, and any other material relationship, if any, between or concerning such stockholder and its respective affiliates or associates, or others with whom they are acting in concert, on the one hand, and the proposed nominee, and his or her respective affiliates or associates, on the other hand; (ii) as to each proposal that the stockholder seeks to bring before the meeting, a brief description of such proposal, the reasons for making the proposal at the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the bylaws of the Corporation, the language of the proposed amendment) and any material interest that the stockholder has in the proposal; and (iii) (A) the name and address of the stockholder giving the notice and the Stockholder Associate Person (as defined below), if any, on whose behalf the nomination or proposal is made, (B) the class (and, if applicable, series) and number of shares of stock of the Corporation that are, directly or indirectly, owned beneficially or of record by the stockholder or any Stockholder Associated Person (as defined below), (C) any option, warrant, convertible security, stock appreciation right or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class (or, if applicable, series) of shares of stock of the Corporation or with a value derived in whole or in part from the value of any class (or, if applicable, series) of shares of stock of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise (each, a "Derivative Instrument") directly or indirectly owned beneficially or of record by such stockholder or any Stockholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of stock of the Corporation of the stockholder or any Stockholder Associated Person, (D) any proxy, contract, arrangement, understanding or relationship pursuant to which such stockholder or any Stockholder Associated Person has a right to vote any securities of the Corporation, (E) any proportionate interest in shares of the Corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or any Stockholder Associated Person is a general partner or beneficially owns an interest in a general partner, (F) any performance-related fees (other than an asset-based fee) that such stockholder or any Stockholder Associated Person is entitled to based on any increase or

decrease in the value of the shares of stock of the Corporation or Derivative Instruments, (G) any other information relating to such stockholder and Stockholder Associated Person, if any, required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Act, (H) a representation that the stockholder is a holder of record of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, and (I) whether either the stockholder intends to deliver a proxy statement and form of proxy to holders of, in the case of a proposal, at least the percentage of the Corporation's voting shares required under applicable law to carry the proposal or, in the case of a nomination or nominations, a sufficient number of holders of the Corporation's voting shares reasonably believed by such stockholder to be sufficient to elect such nominee or nominees or otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination. For purposes of these bylaws, a "Stockholder Associated Person" of any stockholder means (i) any "affiliate" or "associate" (as those terms are defined in Rule 12b-2 under the Act) of the stockholder that owns beneficially or of record any capital stock or other securities of the Corporation and (ii) any person acting in concert with such stockholder or any affiliate or associate of such stockholder with respect to the capital stock or other securities of the Corporation. In addition, any nominee proposed by a stockholder shall complete a questionnaire, in a form provided by the Corporation, within 10 days of receipt of the form of questionnaire from the Corporation.

(d) Subject to the certificate of incorporation of the Corporation (the "Certificate of Incorporation"), Section 1.2(i) and applicable law, only persons nominated in accordance with procedures stated in this Section 1.2 shall be eligible for election as and to serve as a member of the Board of Directors and the only business that shall be conducted at an annual meeting of stockholders is the business that has been brought before the meeting in accordance with the procedures set forth in this Section 1.2. The chairman of the meeting shall have the power and the duty to determine whether a nomination or any proposal has been made according to the procedures stated in this Section 1.2 and, if any nomination or proposal does not comply with this Section 1.2, unless otherwise required by law, the nomination or proposal shall be disregarded.

(e) For purposes of this Section 1.2, "public announcement" means disclosure in a press release reported by the Dow Jones News Service, Associated Press or a comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Act.

(f) Notwithstanding the foregoing provisions of this Section 1.2, a stockholder shall also comply with all applicable requirements of the Act and the rules and regulations thereunder with respect to matters set forth in this Section 1.2. Nothing in this Section 1.2 shall affect any rights, if any, of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to applicable provisions of federal law, including the Act.

(g) Notwithstanding the foregoing provisions of this Section 1.2, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder)

does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the corporation. For purposes of this Section 1.2, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(h) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the Corporation who is a stockholder of record at the time the notice provided for in this Section 1.2 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 1.2. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the corporation's notice of meeting, if the stockholder's notice required by paragraph (b) of this Section 1.2 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the 120<sup>th</sup> day prior to such special meeting and not later than the close of business on the later of the 90<sup>th</sup> day prior to such special meeting or the tenth 10<sup>th</sup> day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(i) All provisions of this Section 1.2 are subject to, and nothing in this Section 1.2 shall in any way limit the exercise, or the method or timing of the exercise of, the rights of any person granted by the Corporation to nominate directors.

#### Section 1.3. Special Meetings; Notice.

Special meetings of the stockholders of the Corporation may be called only in the manner set forth in the Certificate of Incorporation. Notice of every special meeting of the stockholders of the Corporation shall state the purpose or purposes of such meeting. Except as otherwise required by law, the business conducted at a special meeting of stockholders of the Corporation shall be limited exclusively to the business set forth in the Corporation's notice of meeting, and the individual or group calling such meeting shall have exclusive authority to determine the business included in such notice.

Section 1.4. Notice of Meetings.

Notice of the place, if any, date and time of all meetings of stockholders of the Corporation, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present and vote at such meeting, and, in the case of all special meetings of stockholders, the purpose or purposes of the meeting, shall be given, not less than 10 nor more than 60 days before the date on which such meeting is to be held, to each stockholder entitled to notice of the meeting.

The Corporation may postpone or cancel any previously called annual or special meeting of stockholders of the Corporation by making a public announcement (as defined in Section 1.2(e)) of such postponement or cancellation prior to the meeting. When a previously called annual or special meeting is postponed to another time, date or place, if any, notice of the place (if any), date and time of the postponed meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present and vote at such postponed meeting, shall be given in conformity with this Section 1.4.

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; however, if the date of any adjourned meeting is more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting, or if after the adjournment a new record date for stockholders entitled to vote is fixed for the adjourned meeting the Board of Directors shall fix a new record date for notice of such adjourned meeting in conformity herewith to each stockholder of record entitled to vote at such adjourned meeting as of the record date for notice of such adjourned meeting. At any adjourned meeting, any business may be transacted that may have been transacted at the original meeting.

Section 1.5. Quorum.

At any meeting of the stockholders, the holders of shares of stock of the Corporation entitled to cast a majority of the total votes entitled to be cast by the holders of all outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors ("Voting Stock"), present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number is required by applicable law or the Certificate of Incorporation. If a separate vote by one or more classes or series is required, the holders of shares entitled to cast a majority of the total votes entitled to be cast by the holders of the shares of the class or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting may adjourn the meeting to another place, if any, date and time.



Section 1.6. Organization.

The chairman of the Board or, in his or her absence, the person whom the Board of Directors designates or, in the absence of that person or the failure of the Board of Directors to designate a person, the Chief Executive Officer of the Corporation or, in his or her absence, the person chosen by the holders of a majority of the shares of capital stock entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders of the Corporation and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be the person the chairman appoints.

Section 1.7. Conduct of Business.

The chairman of any meeting of stockholders of the Corporation shall determine the order of business and the rules of procedure for the conduct of such meeting, including the manner of voting and the conduct of discussion as he or she determines to be in order. The chairman shall have the power to adjourn the meeting to another place, if any, date and time. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of the meeting shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The chairman of the meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a nomination or matter of business was not properly brought before the meeting and if such chairman should so determine, such chairman shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.8. Proxies; Inspectors.

(a) At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by applicable law.

(b) Prior to a meeting of the stockholders of the Corporation, the Corporation shall appoint one or more inspectors to act at a meeting of stockholders of the Corporation and make a written report thereof. The Corporation may designate one or more persons as alternate

inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by applicable law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before beginning the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of inspectors. The inspectors shall have the duties prescribed by applicable law.

Section 1.9. Voting.

Except as otherwise required by the rules or regulations of any stock exchange applicable to the Corporation or pursuant to any law or regulation applicable to the Corporation or its securities or by the Certificate of Incorporation or these bylaws, all matters other than the election of directors shall be determined by a majority of the votes cast on the matter affirmatively or negatively. All elections of directors shall be determined by a plurality of the votes cast.

Section 1.10. Action by Written Consent.

Except as otherwise provided in the Certificate of Incorporation, any action required or permitted to be taken by the stockholders of the Corporation may be effected by a consent in writing by such stockholders.

Section 1.11. Stock List.

A complete list of stockholders of the Corporation entitled to vote at any meeting of stockholders of the Corporation, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in the name of such stockholder, shall be open to the examination of any such stockholder, for any purpose germane to a meeting of the stockholders of the Corporation, for a period of at least 10 days before the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting or (ii) during ordinary business hours at the principal place of business of the Corporation; provided, however, if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the 10th day before such meeting date. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Except as otherwise provided by law, the stock ledger shall be the sole evidence of the identity of the stockholders entitled to vote at a meeting and the number of shares held by each stockholder.

## SECTION 2 — BOARD OF DIRECTORS

### Section 2.1. General Powers and Qualifications of Directors.

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors. In addition to the powers and authorities these bylaws expressly confer upon them, the Board of Directors may exercise all such powers of the Corporation and do all such lawful acts and things as are not by the DGCL or by the Certificate of Incorporation or by these bylaws required to be exercised or done by the stockholders. Directors need not be stockholders of the Corporation to be qualified for election or service as a director of the Corporation.

### Section 2.2. Removal; Resignation.

Except as otherwise provided for in the Certificate of Incorporation, any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the voting power of the Voting Stock, voting together as a single class. Any director may resign at any time upon notice given in writing, including by electronic transmission, to the Corporation.

### Section 2.3. Regular Meetings.

Regular meetings of the Board of Directors shall be held at the place (if any), on the date and at the time as shall have been established by the Board of Directors and publicized among all directors. A notice of a regular meeting, the date of which has been so publicized, shall not be required.

### Section 2.4. Special Meetings.

Special meetings of the Board of Directors may be called by the President or by two or more directors then in office or, if the Board of Directors then includes a director nominated or designated for nomination by TPG or H&F, by any director nominated or designated for nomination by TPG or H&F and shall be held at the place, if any, on the date and at the time as he, she or they shall fix. Notice of the place, if any, date and time of each special meeting shall be given to each director either (a) by mailing written notice thereof not less than five days before the meeting, or (b) by telephone, facsimile or other means of electronic transmission providing notice thereof not less than twenty-four hours before the meeting. Any and all business may be transacted at a special meeting of the Board of Directors.

### Section 2.5. Quorum.

At any meeting of the Board of Directors, a majority of the total number of directors then in office shall constitute a quorum for all purposes, provided that so long as the Sponsors collectively beneficially own (directly or indirectly) a majority of the voting power of the Corporation's Voting Stock, it shall be necessary to constitute a quorum, in addition to a majority of the total number of directors then in office (a) that one director nominated or designated for nomination by either TPG or H&F be present (other than attendance for the sole purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened) and (b) for an action of the Board of Directors taken at a meeting to be valid, directors that constitute a quorum must be present at the time that the vote on such action is taken. For the avoidance of doubt, so long as the Sponsors collectively beneficially own (directly or indirectly) a majority of the voting power of the Corporation's Voting Stock, if directors that constitute a quorum are not present at the time that the vote on any action is taken, a quorum shall not be constituted with respect to such action, and any vote taken with respect to such action shall not be a valid action of the Board of Directors, notwithstanding that a quorum of the Board of Directors may have been present at the commencement of such meeting. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, if any, date or time, without further notice or waiver thereof.

Section 2.6. Participation in Meetings By Conference Telephone or Other Communications Equipment.

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of the Board of Directors or committee thereof by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other director, and such participation shall constitute presence in person at the meeting.

Section 2.7. Conduct of Business.

At any meeting of the Board of Directors, business shall be transacted in the order and manner that the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, provided a quorum is present at the time such matter is acted upon, except as otherwise provided in the Certificate of Incorporation or these bylaws or required by applicable law. The Board of Directors or any committee thereof may take action without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings, or electronic transmission or electronic transmissions, are filed with the minutes of proceedings of the Board of Directors or any committee thereof. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 2.8. Compensation of Directors.

The Board of Directors shall be authorized to fix the compensation of directors. The directors of the Corporation shall be paid their expenses, if any, of attendance at each meeting of the Board of Directors and shall be reimbursed a fixed sum for attendance at each meeting of the Board of Directors, paid an annual retainer or paid other compensation, including equity compensation, as directors of the Corporation. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of committees shall be paid compensation for attending committee meetings and/or have their expenses, if any, of attendance of each meeting of such committee reimbursed.

**SECTION 3 — COMMITTEES**

Section 3.1. Committees of the Board of Directors.

The Board of Directors may designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees, appoint a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of such committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member. All provisions of this Section 3.1 are subject to, and nothing in this Section 3.1 shall in any way limit the exercise or method or timing of the exercise of, the rights

of any person granted by the Corporation with respect to the existence, duties, composition or conduct of any committee of the Board of Directors.

## SECTION 4 — OFFICERS

### Section 4.1. Generally.

The officers of the Corporation shall consist of a President, one or more Vice Presidents, a Secretary, a Treasurer and other officers as may from time to time be appointed by the Board of Directors. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person. The salaries of officers appointed by the Board of Directors shall be fixed from time to time by the Board of Directors or a committee thereof or by the officers as may be designated by resolution of the Board of Directors.

### Section 4.2. President.

Unless otherwise determined by the Board of Directors, the President shall be the Chief Executive Officer of the Corporation. Subject to the provisions of these bylaws and to the direction of the Board of Directors, he or she shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers that are commonly incident to the office of chief executive or which are delegated to him or her by the Board of Directors. He or she shall have the power to sign all stock certificates, contracts and other instruments of the Corporation that are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

### Section 4.3. Vice President.

Each Vice President shall have the powers and duties delegated to him or her by the Board of Directors or the President. One Vice President may be designated by the Board of Directors to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

### Section 4.4. Treasurer.

The Treasurer shall have the responsibility for maintaining the financial records of the Corporation. He or she shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account to the Board of Directors of all such transactions and of the financial condition of the Corporation. The Treasurer shall also perform other duties as the Board of Directors may from time to time prescribe.

### Section 4.5. Secretary.

The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He or she shall have charge of the corporate books and shall perform other duties as the Board of Directors may from time to time prescribe.

Section 4.6. Delegation of Authority.

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 4.7. Removal.

The Board of Directors may remove any officer of the Corporation at any time, with or without cause.

Section 4.8. Action with Respect to Securities of Other Companies.

Unless otherwise directed by the Board of Directors, the President, or any officer of the Corporation authorized by the President, shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders or equityholders of, or with respect to any action of, stockholders or equityholders of any other entity in which the Corporation may hold securities and otherwise to exercise any and all rights and powers which the Corporation may possess by reason of its ownership of securities in such other entity.

## SECTION 5 — STOCK

Section 5.1. Certificates of Stock.

Shares of the capital stock of the Corporation may be certificated or uncertificated, as provided in the DGCL. Stock certificates shall be signed by, or in the name of the Corporation by, (i) the chairman of the Board (if any) or the vice-chairman of the Board (if any), the President or a Vice President, and (ii) the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer, certifying the number of shares owned by such stockholder. Any signatures on a certificate may be by facsimile.

Section 5.2. Transfers of Stock.

Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation (within or without the State of Delaware) or by transfer agents designated to transfer shares of the stock of the Corporation.

Section 5.3. Lost, Stolen or Destroyed Certificates.

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to regulations as the Board of Directors may establish concerning proof of the loss, theft or destruction and concerning the giving of a satisfactory bond or indemnity.

Section 5.4. Regulations.

The issue, transfer, conversion and registration of certificates of stock of the Corporation shall be governed by other regulations as the Board of Directors may establish.

Section 5.5. Record Date.

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

**SECTION 6 — INDEMNIFICATION AND ADVANCEMENT OF EXPENSES**

Section 6.1. Indemnification.

The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (an "Indemnitee") who was or is made, or is threatened to be made, a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or an officer of the Corporation or, while a director or an officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee, member, trustee or agent of another corporation or of a partnership, joint venture, trust, nonprofit entity or other enterprise (including, but not limited to, service with respect to employee benefit plans) (any such entity, an "Other Entity"), against all liability and loss suffered (including, but not limited to, expenses (including, but not limited to, attorneys' fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnitee in connection with such Proceeding). Notwithstanding the preceding sentence, the Corporation

shall be required to indemnify an Indemnitee in connection with a Proceeding (or part thereof) commenced by such Indemnitee only if the commencement of such Proceeding (or part thereof) by the Indemnitee was authorized by the Board of Directors of the Corporation or the Proceeding (or part thereof) relates to the enforcement of the Corporation's obligations under this Section 6.1.

Section 6.2. Advancement of Expenses.

The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including, but not limited to, attorneys' fees and expenses) incurred by an Indemnitee in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Indemnitee to repay all amounts advanced if it should be ultimately determined that the Indemnitee is not entitled to be indemnified under this Section 6 or otherwise.

Section 6.3. Claims.

If a claim for indemnification (following the final disposition of such proceeding) or advancement of expenses under this Section 6 is not paid in full within sixty (60) days after a written claim therefor by the Indemnitee has been received by the Corporation, the Indemnitee may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action the Corporation shall have the burden of proving that the Indemnitee is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Insurance.

The Corporation shall purchase and maintain insurance on behalf of any person who is or was a director, officer, trustee, employee or agent of the Corporation, or was serving at the request of the Corporation as a director, officer, trustee, employee or agent of an Other Entity, against any liability asserted against the person and incurred by the person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Section 6.

Section 6.5. Non-Exclusivity of Rights.

The rights conferred on any Indemnitee by this Section 6 are not exclusive of other rights arising under any bylaw, agreement, vote of directors or stockholders or otherwise, and shall inure to the benefit of the heirs and legal representatives of such Indemnitee.

Section 6.6. Amounts Received from an Other Entity.

Subject to Section 6.7, the Corporation's obligation, if any, to indemnify or to advance expenses to any Indemnitee who was or is serving at the Corporation's request as a director, officer, employee, member, trustee or agent of an Other Entity shall be reduced by any amount such Indemnitee may collect as indemnification or advancement of expenses from such Other Entity.



Section 6.7. Indemnification Priority.

As between the Corporation and any other person (other than an entity directly or indirectly controlled by the Corporation) who provide indemnification to the Indemnitees for their service to, or on behalf of, the Corporation (collectively, the “Secondary Indemnitors”) (i) the Corporation shall be the full indemnitor of first resort in respect of indemnification or advancement of expenses in connection with any Jointly Indemnifiable Claims (as defined below), pursuant to and in accordance with the terms of this Section 6, irrespective of any right of indemnification, advancement of expenses or other right of recovery any Indemnitee may have from any Secondary Indemnitor (i.e., the Corporation’s obligations to such Indemnitees are primary and any obligation of any Secondary Indemnitor to advance expenses or to provide indemnification for the same loss or liability incurred by such Indemnitees is secondary to the Corporation’s obligations), (ii) the Corporation shall be required to advance the full amount of expenses incurred by any such Indemnitee and shall be liable for the full amount of all liability and loss suffered by such Indemnitee (including, but not limited to, expenses (including, but not limited to, attorneys’ fees and expenses), judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnitee in connection with such Proceeding), without regard to any rights any such Indemnitee may have against any Secondary Indemnitor, and (iii) the Corporation irrevocably waives, relinquishes and releases each Secondary Indemnitor from any and all claims against such Secondary Indemnitor for contribution, subrogation or any other recovery of any kind in respect thereof. The Corporation shall indemnify each Secondary Indemnitor directly for any amounts that such Secondary Indemnitor pays as indemnification or advancement on behalf of any such Indemnitee and for which such Indemnitee may be entitled to indemnification from the Corporation in connection with Jointly Indemnifiable Claims. No right of indemnification, advancement of expenses or other right of recovery that an Indemnitee may have from any Secondary Indemnitor shall reduce or otherwise alter the rights of the Indemnitee or the obligations of the Corporation hereunder. No advancement or payment by any Secondary Indemnitor on behalf of any such Indemnitee with respect to any claim for which such Indemnitee has sought indemnification from the Corporation shall affect the foregoing and the Secondary Indemnitors shall be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Indemnitee against the Corporation. Each Indemnitee shall execute all papers reasonably required and shall do all things that may be reasonably necessary to secure the rights of such Indemnitee’s Secondary Indemnitors under this Section 6.7, including the execution of such documents as may be necessary to enable the Secondary Indemnitors effectively to bring suit to enforce such rights, including in the right of the Corporation. Each of the Secondary Indemnitors shall be third-party beneficiaries with respect to this Section 6.7, entitled to enforce this Section 6.7. As used in this Section 6.7, the term “Jointly Indemnifiable Claims” shall be broadly construed and shall include, without limitation, any action, suit, proceeding or other matter for which an Indemnitee shall be entitled to indemnification or advancement of expenses from both a Secondary Indemnitor and the Corporation, whether pursuant to Delaware law, any agreement or certificate of incorporation, bylaws, partnership agreement, operating agreement, certificate of formation, certificate of limited partnership or comparable organizational documents of the Corporation or the Secondary Indemnitors, as applicable.

Section 6.8. Amendment or Repeal.

Any right to indemnification or to advancement of expenses of any Indemnitee arising hereunder shall not be eliminated or impaired by an amendment to or repeal of this Section 6 after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit, proceeding or other matter for which indemnification or advancement of expenses is sought.

Section 6.9. Other Indemnification and Advancement of Expenses.

This Section 6 shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Indemnitees when and as authorized by appropriate corporate action.

Section 6.10. Reliance.

Indemnitees who after the date of the adoption of this Section 6 become or remain an Indemnitee described in Section 6.1 will be conclusively presumed to have relied on the rights to indemnity, advancement of expenses and other rights contained in this Section 6 in entering into or continuing the service. The rights to indemnification and to the advancement of expenses conferred in this Section 6 will apply to claims made against any Indemnitee described in Section 6.1 arising out of acts or omissions that occurred or occur either before or after the adoption of this Section 6 in respect of service as a director or officer of the corporation or other service described in Section 6.1.

## SECTION 7 — NOTICES

Section 7.1. Notices.

Except as otherwise provided herein or permitted by applicable law, notices to directors and stockholders shall be in writing and delivered personally or mailed to the directors or stockholders at their addresses appearing on the books of the Corporation. If mailed, notice to a stockholder of the Corporation shall be deemed given when deposited in the mail, postage prepaid, directed to a stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders of the Corporation may be given by electronic transmission in the manner provided in Section 232 of the DGCL.

Section 7.2. Waivers.

A written waiver of any notice, signed by a stockholder or director, or a waiver by electronic transmission by such person or entity, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person or entity. Neither the business nor the purpose of any meeting need be specified in the waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

## SECTION 8 — MISCELLANEOUS

### Section 8.1. Corporate Seal.

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

### Section 8.2. Reliance upon Books, Reports, and Records.

Each director and each member of any committee designated by the Board of Directors of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books and records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers, agents or employees, or committees of the Board of Directors so designated, or by any other person or entity as to matters which such director or committee member reasonably believes are within such other person's or entity's professional or expert competence and that has been selected with reasonable care by or on behalf of the Corporation.

### Section 8.3. Fiscal Year.

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

### Section 8.4. Time Periods.

In applying any provision of these bylaws that requires that an act be done or not be done a specified number of days before an event or that an act be done during a specified number of days before an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

## SECTION 9 — AMENDMENTS

These bylaws may be altered, amended or repealed in accordance with the Certificate of Incorporation and the DGCL.

# LPL Investment Holdings Inc.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE



001

THIS CERTIFICATE IS TRANSFERABLE IN  
JERSEY CITY N.J., NEW YORK, NY AND PITTSBURGH, PA



CUSIP 50213H 10 0

SEE REVERSE FOR CERTAIN DEFINITIONS

THIS CERTIFIES THAT

is the record holder of

FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK, \$0.001 PAR VALUE PER SHARE OF  
LPL INVESTMENT HOLDINGS INC.

transferable on the books of the Corporation in person or by duly authorized attorney upon surrender of this Certificate properly endorsed.  
This Certificate is not valid until countersigned by the Transfer Agent and registered by the Registrar.

WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.

Dated:

*Michael S. Canty*  
CHAIRMAN AND CEO



*Stephen R. Brock*  
SECRETARY

AUTHORIZED SIGNATURE

By:

COUNTERSIGNED AND REGISTERED:  
MELTON INVESTOR SERVICES LLC  
TRANSFER AGENT AND REGISTRAR

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM-as tenants in common  
TEN ENT-as tenants by the entireties  
JT TEN-as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT- \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)  
under Uniform Gifts to Minors  
Act \_\_\_\_\_  
(State)

UNIF TRF MIN ACT- \_\_\_\_\_ Custodian (until age \_\_\_\_\_)  
(Cust)  
\_\_\_\_\_ under Uniform Transfers  
(Minor)  
to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED, \_\_\_\_\_ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING POSTAL ZIP CODE, OF ASSIGNEE)

\_\_\_\_\_ Shares  
of the common stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

\_\_\_\_\_ Attorney  
to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated \_\_\_\_\_

**X** \_\_\_\_\_

**X** \_\_\_\_\_

NOTICE: THE SIGNATURE(S) TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME(S) AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT, OR ANY CHANGE WHATEVER.

Signature(s) Guaranteed

By \_\_\_\_\_

THE SIGNATURE(S) MUST BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

## AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 23rd day of July, 2010, by and between Mark S. Casady (the "Executive"), LPL Financial Corporation (the "Company"), LPL Holdings, Inc. ("Holdings") and LPL Investment Holdings Inc. ("Investment Holdings") (with respect to Sections 3(b) and 4(c) only), to be effective upon the Closing (as defined below).

WHEREAS, Executive is currently employed by the Company, and previously entered into an employment agreement with Holdings, dated as of December 28, 2005 and amended as of June 1, 2008; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the amended and restated terms of the Executive's continued employment with the Company, effective as of the closing of the 2010 initial public offering of common stock by Investment Holdings (the "Closing").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts the terms of continued employment with the Company.

2. Term. Subject to earlier termination as hereafter provided, the Executive's employment hereunder shall have an original term of five (5) years commencing on the date of the Closing (the "Initial Term") and shall automatically be renewed thereafter for successive terms of one year each, unless the Company provides notice to the Executive at least ninety (90) days prior to the expiration of the Initial Term or any renewal term that the Agreement is not to be renewed, in which event this Agreement and the Executive's employment hereunder shall terminate at the expiration of the then-current term. The term of this Agreement, as from time to time renewed, is hereafter referred to as "the term of this Agreement" or "the term hereof." In the event that the Closing does not occur, this amendment and restatement of the Agreement shall be void *ab initio* and of no force or effect and the pre-existing employment agreement shall remain in effect.

3. Capacity and Performance.

a. During the term hereof, the Executive shall serve the Company as its Chief Executive Officer, reporting to the Board of Directors of the Company (the "Board").

b. During the term of this Agreement, the Company shall take all steps within its authority to ensure that the Executive is elected and remains a member of the Board and, for so long as Investment Holdings is a controlled company within the meaning of applicable stock exchange listing requirements (a "Controlled Company"), Chairman of the Board, both subject to the requirements of applicable law (including, without limitation, any

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rules or regulations of any exchange on which the common stock of Investment Holdings or the Company is listed, if applicable). The Company and Investment Holdings shall consult with the Executive and permit the Executive to actively participate in the recruitment and selection of all members of the Board and the Board of Directors of Investment Holdings ("Investment Holdings Board"). The Company and Investment Holdings also shall consult with the Executive with respect to the number of members of the Board and Investment Holdings Board and the number of such members who are independent. During the term of this Agreement, Investment Holdings shall take all steps within its authority to ensure that the Executive is elected and remains a member of the Investment Holdings Board and, for so long as Investment Holdings is a Controlled Company, Chairman of the Investment Holdings Board, both subject to the requirements of applicable law (including without limitation, any rules or regulations of any exchange on which the common stock of Investment Holdings or the Company is listed, if applicable), unless the Board or the Investment Holdings Board, as applicable, determines after consulting with a recognized and independent corporate governance expert that it is in the best interests of the Company and/or Investment Holdings, as applicable, for the positions of Chairman and Chief Executive Officer to be held by different individuals in order for the Company and/or Investment Holdings, as applicable, to comply with corporate governance best practices.

c. During the term hereof, the Executive shall be employed by the Company on a full-time basis and shall have such duties, authority and responsibilities as are commensurate with his position and such other duties, consistent with his position, as may be designated from time to time by the Investment Holdings Board.

d. During the term hereof, the Executive shall devote his full business time and his best efforts to the discharge of his duties and responsibilities hereunder; provided, however, that, subject to Section 9 hereof, the foregoing shall not be construed to prevent the Executive from attending to personal investments and community and charitable service, provided that such activities do not unreasonably interfere with the performance of Executive's duties to the Company. In addition, the Executive may serve on boards of directors and similar governing bodies, and committees thereof, subject to the approval of the Investment Holdings Board, which approval shall not be unreasonably withheld, and subject to Section 9 hereof. Notwithstanding the foregoing, the Executive may continue to serve on those boards and committees on which the Executive was serving at the time of the Closing, which boards and committees are listed on Schedule 1(A), of this Agreement.

4. Compensation and Benefits. As compensation for all services performed by the Executive during the term hereof:

a. Base Salary. During the term hereof, the Company shall pay the Executive a base salary at the rate per annum as set forth on Schedule 1(B) of this Agreement, payable in accordance with the regular payroll practices of the Company for its executives and subject to increase from time to time by the Investment Holdings Board (or its compensation committee, the "Investment Holdings Compensation Committee"). The Executive's base salary may only be decreased with the approval of the Executive and then only in an across-the-board salary reduction in which all executives and other employees are subject to an equal percentage



reduction. The Executive's base salary, as from time to time increased or decreased in accordance with Agreement, is hereafter referred to as the "Base Salary."

b. Bonus Compensation.

i. The Executive shall be eligible to receive a full bonus, without pro-rata, for calendar year 2010, determined in accordance with the Company's employee cash bonus plan as in effect immediately prior to the Closing, as set forth in Schedule 1(C) hereto.

ii. Each calendar year thereafter during the term hereof, the Executive shall be eligible to participate in the cash bonus plan or other incentive compensation plan in effect for employees of the Company generally, under which, consistent with the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the plan elements described in clauses (A) and (C) below shall be not be decreased from those applicable to the Executive under the bonus plan in effect immediately prior to the Closing, and the plan element described in clause (B) below shall be substantially consistent with past practice: (A) the target bonus, (B) the level of performance required to reach target and (C) the opportunity to earn bonus compensation in excess of target, with respect to clauses (A) and (C) as set forth on Schedule 1(D) hereto. Neither the Executive's target bonus nor the opportunity to earn bonus compensation in excess of target may be subject to an adverse change and the level of performance required to reach target may not be materially adversely changed except with the approval of Executive and then only in an across-the-board change which affects equally all employees participating in the bonus plan. Such cash bonus shall be in addition to the Base Salary. The Executive's target bonus under the executive cash bonus plan is referred to hereafter as the "Target Bonus." In clarification of the foregoing, the actual bonus earned by the Executive for any given calendar year, may be below, at or above the Target Bonus, based on actual performance. Subject to any effective deferral election made available and elected by the Executive, each bonus earned by the Executive hereunder shall be paid no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

c. Equity Compensation. The Executive shall be eligible to participate in all equity compensation plans and programs applicable to senior executives of the Company and shall receive such grants as may be provided from time to time by Investment Holdings in the discretion of the Investment Holdings Board or the Investment Holdings Compensation Committee. Each grant will be subject to the terms and conditions of the applicable Investment Holdings' equity compensation plan and grant agreements which shall provide in relevant part that: (i) upon the occurrence of a Change in Control occurring after the effective date of this Agreement, all outstanding equity compensation awards held by the Executive will become fully vested and/or exercisable, as the case may be, as of the date of the Change in Control; (ii) upon a termination of the Executive's employment for any reason, the portion of any equity compensation award which has not vested shall terminate; (iii) in the event the Executive's employment terminates for any reason other than for Cause, death or disability, the Executive may exercise any vested portion of any stock option or stock appreciation right (collectively, "Stock Right") held by him on the date of termination provided that he does so prior to the earlier of (A) ninety (90) days following termination of employment and (B) the expiration of the



scheduled term of the Stock Right; (iv) in the event the Executive's employment is terminated due to death or disability (as defined in Section 5(b)), then the Executive, or, as applicable in the event of death, his beneficiary or estate, may exercise any vested portion of any Stock Right held by the Executive on the date employment terminates for the shorter of (A) the period of twelve (12) months following the termination date and (B) with respect to each Stock Right individually, the expiration of the scheduled term of such Stock Right; and (v) upon a termination of the Executive's employment by the Company for Cause, all equity compensation awards shall be forfeited immediately.

d. Vacations. During the term hereof, the Executive shall be eligible for the number of weeks of vacation per year set forth on Schedule 1(E) to this Agreement, subject to the vacation policies of the Company generally applicable to its executives, as in effect from time to time, provided that the Executive shall not be barred from taking up to the maximum number of weeks of vacation in any given year solely by reason of the Executive's failure to work for a specified period of time during such year prior to the time of such vacation.

e. Other Benefits. During the term hereof, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for executives and/or employees of the Company generally, provided that the Executive shall receive benefits pursuant to plans, programs and policies (other than any equity-based compensation plan or program) that are comparable, and no less favorable in the aggregate, to those benefits offered to him immediately prior to the Closing.

f. Business Expenses. During the term hereof, the Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as the Company may require and otherwise consistent with the Company's policies generally applicable to its executives, as in effect from time to time.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term hereof under the circumstances specified below. Subject to the execution and nonrevocation by the Executive, the Executive's beneficiary, or the representative of the Executive's estate, as applicable, of a release of claims agreement (the "Release") in the form provided by the Company within the time period specified by the Company, which shall not exceed 60 days following the date of termination, and provided that the Executive has complied in all material respects with the terms and conditions of the Release, the Company shall provide the Executive with the payments and benefits set forth below:

a. Termination due to Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate, "Final Compensation" which shall include all of the following: (i) the Base Salary earned but not paid through the date of termination, (ii) pay for any vacation time earned but not used through the date of termination, (iii) payment of any annual bonus earned but not paid for the year preceding that in which the

date of termination occurs, (iv) reimbursement for any business expenses incurred by the Executive and reimbursable pursuant to Section 4(f) hereof but unreimbursed on the date of termination (clauses (i), (ii), (iii) and (iv), collectively, the "Termination Entitlements"), (v) a bonus for the year in which the date of termination occurs determined by multiplying the Target Bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365 ("Pro-Rated Portion of Target Bonus"), (vi) a single lump-sum payment equal to the premium (including the additional amount (if any) charged for administrative costs as permitted by the Federal law known as "COBRA") of continued health and dental plan participation under COBRA for the Executive (in the event of a termination other than as a result of death) and for the Executive's qualified beneficiaries (as that term is defined under COBRA) for the one (1) year period immediately following the date of termination (the "Premium Payment") and, the Company shall have no further obligation to the Executive hereunder, other than (A) obligations due to the Executive as of the date of termination but not yet satisfied, such as, by way of example but not limitation, an uncorrected error in Base Salary or an outstanding claim under one of the welfare plans or an uncorrected error in the Executive's retirement plan account, and (B) obligations which, whether or not due to the Executive as of the date of termination, survive termination, such as, by way of example but not limitation, rights to exercise vested stock options (all of the foregoing, under clauses (A) and (B) hereof, the "Surviving Company Obligations").

b. Termination due to Disability. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for any period of six (6) consecutive months. During any period in which the Executive is disabled but prior to the Executive's date of termination, the Executive shall continue to receive all compensation and benefits under Section 4 hereof while his employment continues. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. In the event of termination by the Company due to the Executive's disability, the Company shall provide the Executive with the Final Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

c. Retirement. The Executive may elect to retire voluntarily on thirty (30) days' notice to the Company, provided that the Executive is then at least 65 years of age. In such

event, the Company shall pay to the Executive the Final Compensation (other than the benefits under clause (v) of the definition thereof (the “Accrued Compensation”)) and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

d. Termination by the Company for Cause. The Company may terminate the Executive’s employment at any time for “Cause,” which shall mean only (i) the intentional failure to perform (excluding by reason of disability) or gross negligence or willful misconduct in the performance of regular duties or other breach of fiduciary duty or material breach of this Agreement which remains uncured after thirty (30) days’ notice specifying in reasonable detail the nature of the failure, negligence, misconduct or breach and what is required of the Executive to cure, (ii) conviction or plea of *nolo contendere* to a felony or (iii) fraud or embezzlement or other dishonesty which has a material adverse effect on the Company. Before terminating the Executive for Cause, (A) at least two-thirds (2/3) of the members of the Investment Holdings Board (excluding the Executive, if a Board member) must conclude in good faith that, in their view, one of the events described in subsection (i), (ii) or (iii) above has occurred and (B) such Board determination must be made at a duly convened meeting of the Investment Holdings Board (X) of which the Executive received written notice at least ten (10) days in advance, which notice shall have set forth in reasonable detail the facts and circumstances claimed to provide a basis for the Company’s belief that one of the events described in subsection (i), (ii) or (iii) above occurred and, in the case of an event under subsection (i), remains uncured at the expiration of the notice period, and (Y) at which the Executive had a reasonable opportunity to make a statement and answer the allegations against the Executive. In the event of the termination of the Executive’s employment by the Company for Cause, the Company shall pay to the Executive the Termination Entitlements and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. The parties acknowledge and agree that this definition of “Cause” shall be applicable and controlling with respect to the grant agreements executed by the Executive under any equity compensation plan or arrangement sponsored by Investment Holdings or the Company.

e. Termination by the Company other than for Cause. The Company may terminate the Executive’s employment hereunder other than for Cause at any time upon ten (10) days notice to the Executive. Termination by the Company on or following expiration of the term hereof (other than a termination due to the Executive’s death or disability or under circumstances that would constitute “Cause” if this Agreement were still in effect) will be treated as a termination other than for Cause under this Section 5(e). In the event of termination under this Section 5(e), the Executive shall be entitled to receive the Accrued Compensation (other than the Premium Payment) and the following additional payments as severance: (i) a bonus for the year in which the date of termination occurs based on actual performance determined by multiplying the bonus that would have been earned by the Executive had the Executive remained in service until the date required to earn a full bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of

termination occurs, through the date of termination, and the denominator of which is 365, provided that if the bonus amount exceeds the Pro-Rated Portion of Target Bonus, such bonus amount shall be limited to the Pro-Rated Portion of Target Bonus, and (ii) subject to Executive's continued compliance with his obligations under Sections 7, 8 and 9 hereof, (x) an amount equal to the applicable Severance Multiplier multiplied by the sum of the Executive's Base Salary and Target Bonus for the year in which the date of termination occurs (or if no such Target Bonus has been established for the Executive for the year in which the date of termination occurs, the Target Bonus for the year immediately preceding the year in which the date of termination occurs) and (y) for two years following the date of termination, continued participation of the Executive and his qualified beneficiaries, as applicable, under the Company's group life, health, dental and vision plans in which the Executive was participating immediately prior to the date of termination, subject to any premium contributions required of the Executive at the rate in effect on the date of termination of his employment, provided that, in the event that such health coverage continuation would be discriminatory for federal income tax purposes, the Executive shall be permitted to purchase, through the Company at COBRA rates if possible, and be reimbursed by the Company on a quarterly basis in arrears for, equivalent health benefit coverage for the Executive and his qualified beneficiaries. Subject to the foregoing, the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. For purpose of this Agreement, the "Severance Multiplier" shall be one (1) in the event of termination under Section 5(e) or Section 5(f) and also in the event of a termination of the Executive under Section 5(g) and pursuant to which the Company makes the election under Section 9(b) hereof. Except as otherwise provided in the Agreement, any payments due under Section 5(e), Section 5(f), Section 5(g) or Section 9(b), as applicable, shall be payable in equal monthly installments over the number of years equal to the applicable Severance Multiplier; and, subject to Section 5(h), shall begin at the Company's next regular payday following the 60th day after the effective date of termination provided that the Executive has executed and not revoked the Release and is compliant in all material respects with the Release terms and conditions. Notwithstanding the foregoing, the pro-rated annual bonus earned by the Executive for the year in which the date of termination occurs as calculated in accordance with this Section 5(e) shall be paid in a lump sum no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned. For the avoidance of doubt, if the Executive does not execute a Release or if the Executive revokes an executed Release within the time period permitted by law, the Executive shall not be entitled to the payments and benefits, other than the Termination Entitlements, set forth in this Section 5.

f. Termination by the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason and, in that event, subject to Executive's continued compliance with his obligations under Sections 7, 8 and 9 hereof, shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. "Good Reason" shall mean only the occurrence, without the Executive's express written consent (which may be withheld for any or no reason) of any of the events or conditions described in the following subsections (i) through (ix), provided that, except with respect to the event described in subsection (viii), the Executive gives written notice to the Company of the occurrence of Good Reason within ninety (90) days following the date on which the Executive first knew or

reasonably should have known of such occurrence and the Company shall not have fully corrected the situation within thirty (30) days following such notice. The following occurrences shall constitute Good Reason for purposes of this Section 5(f): (i) a reduction in the Executive's Base Salary (other than as expressly permitted under Section 4(a) hereof); (ii) an adverse change in the Executive's bonus opportunity through reduction of the Target Bonus or the maximum available bonus or a material adverse change in the goals or level of performance required to achieve the Target Bonus (other than as expressly permitted under Section 4(b) hereof); (iii) a failure by the Company to pay or provide to the Executive any compensation or benefits to which the Executive is entitled hereunder; (iv) (A) a material adverse change in the Executive's status, positions, titles, offices, duties and responsibilities, authorities or reporting relationship from those in effect immediately before such change; (B) the assignment to the Executive of any duties or responsibilities that are substantially inconsistent with the Executive's status, positions, titles, offices or responsibilities as in effect immediately before such assignment; or (C) any removal of the Executive from or failure to reappoint or reelect the Executive to any of such positions, titles or offices; provided that termination of the Executive's employment by the Company for Cause, by the Executive other than for Good Reason pursuant to Section 5(g) hereof, or a termination as a result of the Executive's death or disability shall not be deemed to constitute or result in Good Reason under this subsection (iv); (v) the Company's changing the location of the Boston, Massachusetts headquarter offices to a location more than twenty-five (25) miles from the location of such offices, or the Company's requiring the Executive to be based at a location other than the Company's Boston headquarter offices; provided that in all such cases the Company may require the Executive to travel on Company business including being temporarily based at other Company locations as long as such travel is reasonable and is not materially greater or different than the Executive's travel requirements before the Closing; (vi) any material breach by Investment Holdings or the Company of this Agreement, any agreement by Investment Holdings or the Company to indemnify the Executive or any other material written agreement between Investment Holdings or the Company and the Executive; (vii) the failure by the Company to obtain, before completion of a Change in Control, an agreement in writing from any successor or assign to assume and fully perform under this Agreement; (viii) the provision of notice by the Company of non-renewal of this Agreement; or (ix) the failure to elect the Executive to, or the removal of the Executive from, the Investment Holdings Board.

g. By the Executive Other than for Good Reason. The Executive may terminate his employment hereunder at any time upon thirty (30) days' notice to the Company. In the event of termination by the Executive pursuant to this Section 5(g), the Investment Holdings Board may elect to waive the period of notice, or any portion thereof, and, if the Investment Holdings Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). The Company shall also provide the Employee the Accrued Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. At the election of the Company, in accordance with and subject to the provisions of Section 9(b) hereof and subject to the Executive's continued compliance with his obligations under Sections 7, 8 and 9 hereof, the Executive shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder, but with a Severance Multiplier of one (1).

h. Timing of Payments. In the event that at the time the Executive employment terminates the Company's shares are publicly traded (as defined in Section 409A of the Code) or the limitation on payments or provision of benefits imposed by Section 409A(a)(2)(B) would otherwise be applicable, any amounts payable or benefits provided under Section 5 that would have been payable during the six (6) months following the date of termination of employment with the Company and would otherwise be considered deferred compensation subject to the additional twenty percent (20%) tax imposed by Section 409A if paid within such six (6) month period shall be paid, in a lump sum on the business day after the date that is the earlier of (x) six (6) months following the date of termination, or (y) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A. In addition, the administration of the Release requirements described under this Section 5 shall be implemented such that where the period for execution and non-revocation of a release spans more than one calendar year, any payment contingent on the execution of the Release shall not be made until the second calendar year, or later, as required by the applicable terms of this Agreement and Section 409A. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company shall have no obligation to grant the Executive a "gross-up" or other "make-whole" compensation for any tax imposed under Section 409A.

i. No Duty to Mitigate. The Executive shall not be required to mitigate the amount of any cash payment or the value of any benefit provided for in this Agreement by seeking other employment, by seeking benefits from another employer or other source, or by pursuing any other type of mitigation. No payment or benefit provided for in this Agreement shall be offset or reduced by the amount of any cash compensation or the value of any benefit provided to the Executive in any subsequent employment or from any other source. Notwithstanding the foregoing, if the Executive begins to participate in the group health plan of another employer which provides benefits substantially similar to those provided by the Company pursuant to this Section 5, then the Executive shall promptly notify the Company and the Company may discontinue the health plan participation being provided the Executive pursuant to this Section 5.

6. Code Section 4999 Excise Tax.

a. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or benefit (including any accelerated vesting of options or other equity awards) made or provided, or to be made or provided, by the Company (or any successor thereto or affiliate thereof) to or for the benefit of Executive, whether pursuant to the terms of this Agreement, any other agreement, plan, program or arrangement of or with Investment Holdings or the Company (or any successor thereto or affiliate thereof) or otherwise

(a "Payment"), will be subject to the excise tax imposed by Section 4999 of the Code or any comparable tax imposed by any replacement or successor provision of United States tax law, then the Company will apply a limitation on the Payment amount as set forth in clause (i) below (a "Parachute Cap"), unless the provisions of clause (ii) below apply.

i. If clause (ii) does not apply, the aggregate present value of the Payments under Sections 5(e), (f) or (g) of this Agreement ("Agreement Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any excise tax under Section 4999 of the Code. For purposes of this clause (i), "present value" shall be determined in accordance with Section 280G(d)(4) of the Code. In the event that it is determined that the amount of the Agreement Payments will be reduced in accordance with this clause (i), the Agreement Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Executive. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis.

ii. It is the intention of the parties that the Parachute Cap apply only if application of the Parachute Cap is beneficial to the Executive. Therefore, if the net amount that would be retained by the Executive under this Agreement without the Parachute Cap, after payment of any excise tax under Section 4999 of the Code, exceeds the net amount that would be retained by the Executive with the Parachute Cap, then the Company shall not apply the Parachute Cap to the Executive's payments.

b. All determinations to be made under this Section 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Executive within ten days of the termination date. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive.

c. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6 shall be borne solely by the Company.

#### 7. Confidential Information.

a. The Executive acknowledges that the Company continually develops Confidential Information (as defined in Section 13); that the Executive may develop Confidential Information for the Company; and that the Executive may learn of Confidential Information during the course of employment. The Executive shall not disclose to any Person or use, other than as required by applicable law or for the performance of his duties and responsibilities to the Company, any Confidential Information obtained by the Executive incident to his employment with the Company. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination.

b. All documents, records, tapes and other media of every kind and description containing Confidential Information, and all copies, (the “Documents”), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company. The Executive shall return to the Company no later than the time his employment terminates all Documents then in the Executive’s possession or control.

8. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property (as defined in Section 13) to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive’s full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. All copyrightable works that the Executive creates in the performance of his duties hereunder shall be considered “work made for hire.”

9. Restricted Activities.

a. While the Executive is employed by the Company and, except as otherwise provided in Section 9(b) and 9(c) below, for the period of one (1) year following the termination of the Executive’s employment for any reason (including retirement) (the “Non-Competition Period”), subject to the Company’s compliance with the post-employment terms of this Agreement, the Executive will not engage or participate in, directly or indirectly, alone or as principal, agent, employee, employer, consultant, investor or partner of, or assist in the management of, or provide advisory or other services to, or own any stock or any other ownership interest in, or make any financial investment in, any business or entity which is Competitive with the Company (as defined below); *provided, however*, that it shall not be a violation of the foregoing (i) for the Executive to own not more than two percent (2%) of the outstanding securities of any class of securities listed on a national exchange or inter-dealer quotation system or (ii) following termination of the Executive’s employment with the Company, for the Executive to provide services to any business or entity that has a line of business, division, subsidiary or other affiliate that is Competitive with the Company if the Executive is not employed in such line of business or division or by such subsidiary or other affiliate and is not involved, directly or indirectly, in the management, supervision or operations of such line of business, division, subsidiary or affiliate that is Competitive with the Company. For purposes of this Agreement, a business or entity shall be considered “Competitive with the Company” if such business or entity competes in any respect with a business in which Investment Holdings and its subsidiaries were engaged (including, specifically, services related to financial advisors), or any material products and/or services that Investment Holdings or its subsidiaries were actively developing or designing as of the date the Executive’s employment with the Company terminated, provided that, prior to such termination, the Executive knew of such other business or such material product or such service under active development or design. In addition, during the Non-Competition Period, the Executive will not (other than when acting on behalf of the Company during the Executive’s employment) (i) solicit, or attempt to solicit,



any existing or prospective customers, targets, suppliers, financial advisors, officers or employees of Investment Holdings or any of its subsidiaries to terminate their relationship with Investment Holdings or any of its subsidiaries or (ii) divert, or attempt to divert, from Investment Holdings or any of its subsidiaries any of its customers, prospective customers, targets, suppliers, financial advisors, officers or employees or (iii) hire or engage or otherwise contract with, or attempt to hire or engage or otherwise contract with, any officers, employees or financial advisors of Investment Holdings or any of its subsidiaries, whether to be an employee, officer, agent, consultant or independent contractor; *provided, however*, that nothing in this Section 9(a) shall be deemed to prohibit the Executive from soliciting a customer, prospective customer, target or supplier of Investment Holdings or any of its subsidiaries during the Non-Competition Period if such action relates solely to a business which is not Competitive with the Company. A customer, prospective customer, target, supplier, financial advisor, officer or employee of Investment Holdings or any of its subsidiaries is any one who was such within the preceding twelve months, excluding, however, any prospective customer or target which was solicited solely by mass mailing or general advertisement during that period and any officer, employee or financial advisor whose relationship with Investment Holdings or the Company was terminated by Investment Holdings or the Company or any of their subsidiaries other than for circumstances that would constitute “cause” (within the meaning of any such definition applicable to such officer, employee or financial advisor, or, if no such definition is applicable, “cause” as defined in the existing equity compensation plan maintained with respect to employees of the Company) and provided further, with respect to Investment Holdings’ subsidiaries, that the Executive during his employment with the Company was introduced to, or otherwise knew of or should have known of the relationship of, such customer, prospective customer, target, supplier, financial advisor or employee to the subsidiary.

b. Notwithstanding anything herein to the contrary, in the event that the Executive terminates his employment hereunder without Good Reason, the Executive shall, at the Company’s election, which election shall be provided to the Executive prior to the date of termination, (1) receive the payments and benefits specified in Section 5(e) with a Severance Multiplier of one (1) and be subject to a Non-Competition Period which shall continue for two (2) years following the date of termination of the Executive’s employment, or (2) receive no payments and benefits specified in Section 5(e) and be subject to a Non-Competition Period which shall continue for one (1) year following the date of termination of the Executive’s employment.

c. The Executive may seek a waiver from the Company of his obligations pursuant to this Section 9, which waiver shall not be unreasonably withheld or delayed. As of the date of the grant of such waiver by the Company, all payments and benefits under the applicable provision of Section 5 shall cease other than the payment of Final Compensation, excluding the payments and benefits under clause (v) of the definition thereof which shall cease or be reimbursed by the Executive on a pro-rata basis for the waived time period of the one (1) year Non-Competition Period, as applicable) or Accrued Compensation, as applicable).

10. Reasonableness; Enforcement. The Company and the Executive acknowledge that the time, scope, geographic area and other provisions of Sections 7, 8 and 9 (the “Covenants”) have been specifically negotiated by sophisticated parties and agree that all such

provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Company, (iii) impose no undue hardship, (iv) are not injurious to the public, and (v) are essential to protect the business and goodwill of the Company and its affiliates and are a material term of this Agreement which has induced the Company to agree to provide for the payments and benefits described in this Agreement. The Executive further acknowledges and agrees that the Executive's breach of the Covenants will cause the Company and Investment Holdings irreparable harm, which cannot be adequately compensated by money damages. The Executive and the Company agree that, in the event of an actual or threatened breach of Section 9, the Company shall be entitled to injunctive relief for any actual or threatened violation of any of the Covenants in addition to any other remedies it may have at law or equity, including money damages.

11. Survival. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 7, 8, 9 and 10 hereof and the obligations of the Company pursuant to Section 5 hereof.

12. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

13. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

a. "Change in Control" means the consummation, after the date of Closing, of (i) any transaction or series of related transactions, whether or not Investment Holdings is a party thereto, after giving effect to which in excess of fifty percent (50%) of Investment Holdings' voting power is owned directly, or indirectly through one or more entities, by any person and its "affiliates" or "associates" (as such terms are defined in the Exchange Act Rules) or any "group" (as defined in the Exchange Act Rules) other than, in each case, Investment Holdings or an affiliate of Investment Holdings immediately following the Closing, or (ii) a sale or other disposition of all or substantially all of the consolidated assets of Investment Holdings (each of the foregoing, a "Business Combination"), provided that, notwithstanding the foregoing, a Change in Control shall not be deemed to occur as a result of a Business Combination following which the individuals or entities who were beneficial owners of the outstanding securities entitled to vote generally in the election of directors of Investment Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction.

b. “Confidential Information” means any confidential proprietary information relating to the business of Investment Holdings, the Company or their affiliates or their respective customers or clients which has an economic value to Investment Holdings, the Company or their affiliates. Confidential Information does not include any information that enters the public domain other than through a breach by the Executive of his duties to Investment Holdings or the Company hereunder or which is obtained by the Executive from a third party which has no obligation of confidentiality to Investment Holdings or the Company.

c. “Intellectual Property” means any invention, formula, process, discovery, development, design, innovation or improvement (whether or not patentable or registrable under copyright statutes) made, conceived, or first actually reduced to practice by the Executive solely or jointly with others, during his employment by the Company; provided, however, that, as used in this Agreement, the term “Intellectual Property” shall not apply to any invention that the Executive develops on his own time, without using the equipment, supplies, facilities or trade secret information of Investment Holdings or the Company, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of Investment Holdings or the Company, (b) to the actual or demonstrably anticipated research or development of Investment Holdings or the Company or (c) results from any work performed by the Executive for Investment Holdings or the Company.

d. “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its subsidiaries.

14. Withholding. All payments or other benefits, to the extent required by law, made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

15. Legal Fees. The Company shall at its election either pay directly the joint legal expenses incurred by the Executive and the other executives of the Company with whom the Company is entering into employment agreements effective as of the Closing in the negotiation and preparation of their employment agreements or reimburse the Executive for his portion of such joint legal expenses. In addition, all reasonable costs and expenses that are reasonably documented (including court and arbitration costs and reasonable legal fees and expenses that reflect common practice with respect to the matters involved) incurred by the Executive as a result of any claim, action or proceeding arising out of this Agreement or the contesting, disputing or enforcing of any provision, right or obligation under this Agreement shall be paid, or reimbursed to the Executive, if, in the final resolution of the dispute, the Executive either recovers material monetary damages (in cash or in kind, such as benefits) or is the prevailing party on a material non-monetary claim (such as a dispute regarding a restrictive covenant).

16. Dispute Resolution.

a. Except as provided in Section 10, any dispute, controversy or claim between the parties arising out of this Agreement or the Executive’s employment with the Company or termination of employment shall be settled by arbitration conducted in the city in

which the Executive is located administered by the American Arbitration Association under its Employment Dispute Resolution Rules then in effect (except as modified by b. below).

b. In the event that a party requests arbitration (the “Requesting Party”), it shall serve upon the other party (the “Non-Requesting Party”), within one hundred and eighty (180) days of the date the Requesting Party knew, or reasonably should have known, of the facts on which the controversy, dispute or claim is based, a written demand for arbitration stating the substance of the controversy, dispute or claim, the contention of the party requesting arbitration and the name and address of the arbitrator appointed by it. The Non-Requesting Party, within sixty (60) days of such demand, shall accept the arbitrator or appoint a second arbitrator and notify the other party of the name and address of this second arbitrator so selected, in which case the two arbitrators shall appoint a third who shall be the sole arbitrator to hear the case. In the event that the two arbitrators fail in any instance to appoint a third arbitrator within thirty (30) days of the appointment of the second arbitrator, either arbitrator or any party to the arbitration may apply to the American Arbitration Association for appointment of the third arbitrator in accordance with the Rules, which arbitrator shall be the sole arbitrator to hear the case. Should the Non-Requesting Party (upon whom a demand for arbitration has been served) fail or refuse to accept the arbitrator appointed by the other party or to appoint an arbitrator within sixty (60) days, the single arbitrator shall have the right to decide alone, and such arbitrator’s decision or award shall be final and binding upon the parties.

c. The decision of the arbitrator shall be in writing; shall set forth the basis for the decision; and shall be rendered within thirty (30) days following the hearing. The decision of the arbitrator shall be final and binding upon the parties and may be enforced and executed upon in any court having jurisdiction over the party against whom enforcement of such award is sought.

17. No Withholding of Undisputed Payments. During the pendency of any dispute or controversy, the Company shall not withhold any payments or benefits due to the Executive, whether under this Agreement or otherwise, except for the specific portion of any payment or benefit that is the subject of a bona fide dispute between the parties.

18. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

19. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of

any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

21. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or the next business day following consignment for overnight delivery to a reputable national overnight courier service or five business days following deposit in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chairman of the Investment Holdings Board, or to such other address as a party may specify by notice to the other actually received. Copies of any notices, requests, demands and other communication to the Company by the Executive shall be sent by the to the investors at the following address: c/o Texas Pacific Group, 301 Commerce Street, Suite 3300, Fort Worth, TX 76102, Attn: Richard Schifter (Fax: 415-743-1501) and c/o Hellman & Friedman LLC, One Maritime Plaza, 12<sup>th</sup> Floor, San Francisco, CA 94111, Attn: Allen Thorpe (Fax: 415-835-5408).

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment including, without limitation, the applicable Executive Summary of Proposed Terms.

23. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an authorized representative of the Company subject to prior approval by the Investment Holdings Board.

24. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

25. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

26. Governing Law. This is a Massachusetts contract and shall be construed and enforced under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE

By: /s/ Mark S. Casady  
Name: Mark S. Casady

THE COMPANY

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

HOLDINGS

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

INVESTMENT HOLDINGS (with respect to Sections 3(b) and 4(c) only)

By: /s/ Esther M. Stearns  
Name: Esther M. Stearns  
Title: President

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Schedule 1

**(A) Boards and Committees**

Insured Retirement Institute  
FINRA  
Atlas Mountains Capital  
One Step Forward Education Foundation

**(B) Base Salary**

\$800,000

**(C) 2010 Target Bonus**

\$1,226,500

**(D) Target Bonus**

\$1,226,500

Opportunity to Earn Bonus Compensation in Excess of Target Bonus: The amount of the Executive's bonus opportunity above Target Bonus (the "Outperformance Bonus"), and the performance necessary to earn the Outperformance Bonus, shall be determined by the Investment Holdings Compensation Committee on an annual basis after consultation with, and with good faith consideration of the views of, the CEO of the Company.

**(E) Annual Vacation**

4 weeks.

## AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 23rd day of July, 2010, by and between Esther M. Stearns (the "Executive"), LPL Financial Corporation (the "Company"), LPL Holdings, Inc. ("Holdings") and LPL Investment Holdings Inc. ("Investment Holdings") (with respect to Section 4(c) only), to be effective upon the Closing (as defined below).

WHEREAS, Executive is currently employed by the Company, and previously entered into an employment agreement with Holdings, dated as of December 28, 2005 and amended as of June 1, 2008; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the amended and restated terms of the Executive's continued employment with the Company, effective as of the closing of the 2010 initial public offering of common stock by Investment Holdings (the "Closing").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts the terms of continued employment with the Company.

2. Term. Subject to earlier termination as hereafter provided, the Executive's employment hereunder shall have an original term of three (3) years commencing on the date of the Closing (the "Initial Term") and shall automatically be renewed thereafter for successive terms of one year each, unless the Company provides notice to the Executive at least ninety (90) days prior to the expiration of the Initial Term or any renewal term that the Agreement is not to be renewed, in which event this Agreement and the Executive's employment hereunder shall terminate at the expiration of the then-current term. The term of this Agreement, as from time to time renewed, is hereafter referred to as "the term of this Agreement" or "the term hereof." In the event that the Closing does not occur, this amendment and restatement of the Agreement shall be void *ab initio* and of no force or effect and the pre-existing employment agreement shall remain in effect.

3. Capacity and Performance.

a. During the term hereof, the Executive shall serve the Company as its President and Chief Operating Officer, reporting to the Chief Executive Officer of the Company (the "CEO").

b. During the term hereof, the Executive shall be employed by the Company on a full-time basis and shall have such duties, authority and responsibilities as are

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commensurate with her position and such other duties, consistent with her position, as may be designated from time to time by the Board of Directors of Investment Holdings (the "Investment Holdings Board").

c. During the term hereof, the Executive shall devote her full business time and her best efforts to the discharge of her duties and responsibilities hereunder; provided, however, that, subject to Section 10 hereof, the foregoing shall not be construed to prevent the Executive from attending to personal investments and community and charitable service, provided that such activities do not unreasonably interfere with the performance of Executive's duties to the Company. In addition, the Executive may serve on boards of directors and similar governing bodies, and committees thereof, subject to the approval of the Investment Holdings Board, which approval shall not be unreasonably withheld, and subject to Section 10 hereof. Notwithstanding the foregoing, the Executive may continue to serve on those boards and committees on which the Executive was serving at the time of the Closing, which boards and committees are listed on Schedule 1(A) of this Agreement.

4. Compensation and Benefits. As compensation for all services performed by the Executive during the term hereof:

a. Base Salary. During the term hereof, the Company shall pay the Executive a base salary at the rate per annum as set forth on Schedule 1(B) of this Agreement, payable in accordance with the regular payroll practices of the Company for its executives and subject to increase from time to time by the Investment Holdings Board (or its compensation committee, the "Investment Holdings Compensation Committee"). The Executive's base salary may only be decreased with the approval of the CEO of the Company and then only in an across-the-board salary reduction in which all executives and other employees are subject to an equal percentage reduction. The Executive's base salary, as from time to time increased or decreased in accordance with Agreement, is hereafter referred to as the "Base Salary."

b. Bonus Compensation.

i. The Executive shall be eligible to receive a full bonus, without pro-rata, for calendar year 2010, determined in accordance with the Company's employee cash bonus plan as in effect immediately prior to the Closing, as set forth in Schedule 1(C) hereto.

ii. Each calendar year thereafter during the term hereof, the Executive shall be eligible to participate in the cash bonus plan or other incentive compensation plan in effect for employees of the Company generally, under which, consistent with the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the plan elements described in clauses (A) and (C) below shall be not be decreased from those applicable to the Executive under the bonus plan in effect immediately prior to the Closing, and the plan element described in clause (B) below shall be substantially consistent with past practice: (A) the target bonus, (B) the level of performance required to reach target and (C) the opportunity to earn bonus compensation in excess of target, with respect to clauses (A) and (C) as set forth on Schedule 1(D) hereto. Neither the Executive's target bonus nor the opportunity to earn bonus compensation in excess of target may be subject to an adverse change and the level of performance required to reach target may not be materially

adversely changed except with the approval of the CEO of the Company and then only in an across-the-board change which affects equally all employees participating in the bonus plan. Such cash bonus shall be in addition to the Base Salary. The Executive's target bonus under the executive cash bonus plan is referred to hereafter as the "Target Bonus." In clarification of the foregoing, the actual bonus earned by the Executive for any given calendar year, may be below, at or above the Target Bonus, based on actual performance. Subject to any effective deferral election made available and elected by the Executive, each bonus earned by the Executive hereunder shall be paid no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

c. Equity Compensation. The Executive shall be eligible to participate in all equity compensation plans and programs applicable to senior executives of the Company and shall receive such grants as may be provided from time to time by Investment Holdings in the discretion of the Investment Holdings Board or the Investment Holdings Compensation Committee. Each grant will be subject to the terms and conditions of the applicable Investment Holdings' equity compensation plan and grant agreements which shall provide in relevant part that: (i) upon the occurrence of a Change in Control occurring after the effective date of this Agreement, all outstanding equity compensation awards held by the Executive will become fully vested and/or exercisable, as the case may be, as of the date of the Change in Control; (ii) upon a termination of the Executive's employment for any reason, the portion of any equity compensation award which has not vested shall terminate; (iii) in the event the Executive's employment terminates for any reason other than for Cause, death or disability, the Executive may exercise any vested portion of any stock option or stock appreciation right (collectively, "Stock Right") held by her on the date of termination provided that he does so prior to the earlier of (A) ninety (90) days following termination of employment and (B) the expiration of the scheduled term of the Stock Right; (iv) in the event the Executive's employment is terminated due to death or disability (as defined in Section 5(b)), then the Executive, or, as applicable in the event of death, her beneficiary or estate, may exercise any vested portion of any Stock Right held by the Executive on the date employment terminates for the shorter of (A) the period of twelve (12) months following the termination date and (B) with respect to each Stock Right individually, the expiration of the scheduled term of such Stock Right; and (v) upon a termination of the Executive's employment by the Company for Cause, all equity compensation awards shall be forfeited immediately.

d. Vacations. During the term hereof, the Executive shall be eligible for the number of weeks of vacation per year set forth on Schedule 1(E) to this Agreement, subject to the vacation policies of the Company generally applicable to its executives, as in effect from time to time, provided that the Executive shall not be barred from taking up to the maximum number of weeks of vacation in any given year solely by reason of the Executive's failure to work for a specified period of time during such year prior to the time of such vacation.

e. Other Benefits. During the term hereof, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for executives and/or employees of the Company generally, provided that the Executive shall receive benefits pursuant to plans, programs and policies (other than any equity-based compensation plan or program) that

are comparable, and no less favorable in the aggregate, to those benefits offered to her immediately prior to the Closing.

f. Business Expenses. During the term hereof, the Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of her duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as the Company may require and otherwise consistent with the Company's policies generally applicable to its executives, as in effect from time to time.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term hereof under the circumstances specified below. Subject to the execution, delivery and nonrevocation by the Executive, the Executive's beneficiary, or the representative of the Executive's estate, as applicable, of a release of claims agreement (the "Release") in the form provided by the Company within the time period specified by the Company, which shall not exceed 60 days following the date of termination, and provided that the Executive has complied in all material respects with the terms and conditions of the Release, the Company shall provide the Executive with the payments and benefits set forth below:

a. Termination due to Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to her estate, "Final Compensation" which shall include all of the following: (i) the Base Salary earned but not paid through the date of termination, (ii) pay for any vacation time earned but not used through the date of termination, (iii) payment of any annual bonus earned but not paid for the year preceding that in which the date of termination occurs, (iv) reimbursement for any business expenses incurred by the Executive and reimbursable pursuant to Section 4(f) hereof but un-reimbursed on the date of termination (clauses (i), (ii), (iii) and (iv), collectively, the "Termination Entitlements"), (v) a bonus for the year in which the date of termination occurs determined by multiplying the Target Bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365 ("Pro-Rated Portion of Target Bonus"), (vi) a single lump-sum payment equal to the premium (including the additional amount (if any) charged for administrative costs as permitted by the Federal law known as "COBRA") of continued health and dental plan participation under COBRA for the Executive (in the event of a termination other than as a result of death) and for the Executive's qualified beneficiaries (as that term is defined under COBRA) for the one (1) year period immediately following the date of termination (the "Premium Payment") and, the Company shall have no further obligation to the Executive hereunder, other than (A) obligations due to the Executive as of the date of termination but not yet satisfied, such as, by way of example but not limitation, an uncorrected error in Base Salary or an outstanding claim under one of the welfare plans or an uncorrected error in the Executive's retirement plan account, and (B) obligations which, whether or not due to the Executive as of the date of termination, survive termination, such as, by way of example but not limitation, rights to exercise vested stock options (all of the foregoing, under clauses (A) and (B) hereof, the "Surviving Company Obligations").

b. Termination due to Disability. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of her duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for any period of six (6) consecutive months. During any period in which the Executive is disabled but prior to the Executive's date of termination, the Executive shall continue to receive all compensation and benefits under Section 4 hereof while her employment continues. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of her duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. In the event of termination by the Company due to the Executive's disability, the Company shall provide the Executive with the Final Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

c. Retirement. The Executive may elect to retire voluntarily on thirty (30) days' notice to the Company, provided that the Executive is then at least 65 years of age. In such event, the Company shall pay to the Executive the Final Compensation (other than the benefits under clause (v) of the definition thereof (the "Accrued Compensation")) and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

d. Termination by the Company for Cause. The Company may terminate the Executive's employment at any time for "Cause," which shall mean only (i) the intentional failure to perform (excluding by reason of disability) or gross negligence or willful misconduct in the performance of regular duties or other breach of fiduciary duty or material breach of this Agreement which remains uncured after thirty (30) days' notice specifying in reasonable detail the nature of the failure, negligence, misconduct or breach and what is required of the Executive to cure, (ii) conviction or plea of *nolo contendere* to a felony or (iii) fraud or embezzlement or other dishonesty which has a material adverse effect on the Company. Before terminating the Executive for Cause, (A) at least two-thirds (2/3) of the members of the Investment Holdings Board (excluding the Executive, if a Board member) must conclude in good faith that, in their view, one of the events described in subsection (i), (ii) or (iii) above has occurred and (B) such Board determination must be made at a duly convened meeting of the Investment Holdings

Board (X) of which the Executive received written notice at least ten (10) days in advance, which notice shall have set forth in reasonable detail the facts and circumstances claimed to provide a basis for the Company's belief that one of the events described in subsection (i), (ii) or (iii) above occurred and, in the case of an event under subsection (i), remains uncured at the expiration of the notice period, and (Y) at which the Executive had a reasonable opportunity to make a statement and answer the allegations against the Executive. In the event of the termination of the Executive's employment by the Company for Cause, the Company shall pay to the Executive the Termination Entitlements and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. The parties acknowledge and agree that this definition of "Cause" shall be applicable and controlling with respect to the grant agreements executed by the Executive under any equity compensation plan or arrangement sponsored by Investment Holdings or the Company.

e. Termination by the Company other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon ten (10) days notice to the Executive. Termination by the Company on or following expiration of the term hereof (other than a termination due to the Executive's death or disability or under circumstances that would constitute "Cause" if this Agreement were still in effect) will be treated as a termination other than for Cause under this Section 5(e). In the event of termination under this Section 5(e), the Executive shall be entitled to receive (i) the Accrued Compensation (other than the Premium Payment), (ii) a bonus for the year in which the date of termination occurs based on actual performance determined by multiplying the bonus that would have been earned by the Executive had the Executive remained in service until the date required to earn a full bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365, provided that if the bonus amount exceeds the Pro-Rated Portion of Target Bonus, such bonus amount shall be limited to the Pro-Rated Portion of the Target Bonus and (iii) for two years following the date of termination, continued participation of the Executive and her qualified beneficiaries, as applicable, under the Company's group life, health, dental and vision plans in which the Executive was participating immediately prior to the date of termination, subject to any premium contributions required of the Executive at the rate in effect on the date of termination of her employment, provided that, in the event that such health coverage continuation would be discriminatory for federal income tax purposes, the Executive shall be permitted to purchase, through the Company at COBRA rates if possible, and be reimbursed by the Company on a quarterly basis in arrears for, equivalent health benefit coverage for the Executive and her qualified beneficiaries. In addition, subject to Executive's continued compliance with the provisions of Sections 8 and 9 and subject to Executive's execution, delivery and non-revocation of a Release, Executive shall be entitled to receive twenty-five percent (25%) of the Covenant Payment (as defined in Section 7). For the avoidance of doubt, if the Executive does not execute a Release or if the Executive revokes an executed Release within the time period permitted by law, the Executive shall not be entitled to any payments and benefits, other than the Termination Entitlements, set forth in this Section 5. Subject to the foregoing and the provisions of Section 7 to the extent applicable, the Company shall have no further obligation to the Executive hereunder other than the Surviving Company Obligations.

f. Termination by the Executive for Good Reason. The Executive may terminate her employment hereunder for Good Reason and, in that event, subject to Executive's continued compliance with her obligations under Sections 8 and 9 hereof, shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder. "Good Reason" shall mean only (A) the occurrence, without the Executive's express written consent (which may be withheld for any or no reason) of any of the events or conditions described in the following subsections (i) through (viii), provided that, except with respect to the event described in subsection (viii), the Executive gives written notice to the Company of the occurrence of Good Reason within ninety (90) days following the date on which the Executive first knew or reasonably should have known of such occurrence and the Company shall not have fully corrected the situation within thirty (30) days following such notice or (B) termination (for any or no reason) by written notice from the Executive given within the thirty day period immediately following the twelve month anniversary of a Change of Control occurring after the effective date of this Agreement. The following occurrences shall constitute Good Reason for purposes of clause (A) of this Section 5(f): (i) a reduction in the Executive's Base Salary (other than as expressly permitted under Section 4(a) hereof); (ii) an adverse change in the Executive's bonus opportunity through reduction of the Target Bonus or the maximum available bonus or a material adverse change in the goals or level of performance required to achieve the Target Bonus (other than as expressly permitted under Section 4(b) hereof); (iii) a failure by the Company to pay or provide to the Executive any compensation or benefits to which the Executive is entitled hereunder; (iv) (A) a material adverse change in the Executive's status, positions, titles, offices, duties and responsibilities, authorities or reporting relationship from those in effect immediately before such change; (B) the assignment to the Executive of any duties or responsibilities that are substantially inconsistent with the Executive's status, positions, titles, offices or responsibilities as in effect immediately before such assignment; or (C) any removal of the Executive from or failure to reappoint or reelect the Executive to any of such positions, titles or offices; provided that termination of the Executive's employment by the Company for Cause, by the Executive other than for Good Reason pursuant to Section 5(g) hereof, or a termination as a result of the Executive's death or disability shall not be deemed to constitute or result in Good Reason under this subsection (iv); (v) the Company's changing the location of the San Diego, California headquarter offices to a location more than twenty-five (25) miles from the location of such offices, or the Company's requiring the Executive to be based at a location other than the Company's San Diego headquarter offices; provided that in all such cases the Company may require the Executive to travel on Company business including being temporarily based at other Company locations as long as such travel is reasonable and is not materially greater or different than the Executive's travel requirements before the Closing; (vi) any material breach by Investment Holdings or the Company of this Agreement, any agreement by Investment Holdings or the Company to indemnify the Executive or any other material written agreement between Investment Holdings or the Company and the Executive; (vii) the failure by the Company to obtain, before completion of a Change in Control, an agreement in writing from any successor or assign to assume and fully perform under this Agreement; or (viii) the provision of notice by the Company of non-renewal of this Agreement. Subject to the foregoing and the provisions of Section 7 to the extent applicable, the Company shall have no further obligation to the Executive hereunder other than the Surviving Company Obligations.

g. By the Executive Other than for Good Reason. The Executive may terminate her employment hereunder at any time upon thirty (30) days' notice to the Company. In the event of termination by the Executive pursuant to this Section 5(g), the Investment Holdings Board may elect to waive the period of notice, or any portion thereof, and, if the Investment Holdings Board so elects, the Company will pay the Executive her Base Salary for the notice period (or for any remaining portion of the period). The Company shall also provide the Employee the Accrued Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations.

h. Timing of Payments.

i. Except as otherwise provided in the Agreement, any payments due under Section 5(e), Section 5(f), Section 7 and Section 10(b), as applicable, shall be payable in equal monthly installments over the number of years and/or portions thereof equal to the applicable Multiplier (as defined in Section 7) and shall begin at the Company's next regular payday following the 60th day after the effective date of termination provided that, if applicable, the Executive has executed and not revoked the Release and is compliant in all material respects with the Release terms and conditions. Notwithstanding the foregoing, the pro-rated annual bonus earned by the Executive for the year in which the date of termination occurs as calculated in accordance with Section 5(e) shall be paid in a lump sum no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

ii. In the event that at the time the Executive employment terminates the Company's shares are publicly traded (as defined in Section 409A of the Code) or the limitation on payments or provision of benefits imposed by Section 409A(a)(2)(B) would otherwise be applicable, any amounts payable or benefits provided under Section 5 that would have been payable during the six (6) months following the date of termination of employment with the Company and would otherwise be considered deferred compensation subject to the additional twenty percent (20%) tax imposed by Section 409A if paid within such six (6) month period shall be paid, in a lump sum on the business day after the date that is the earlier of (x) six (6) months following the date of termination, or (y) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A. In addition, the administration of the Release requirements described under this Section 5 shall be implemented such that where the period for execution and non-revocation of a release spans more than one calendar year, any payment contingent on the execution of the Release shall not be made until the second calendar year, or later, as required by the applicable terms of this Agreement and Section 409A. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the

foregoing, the Company shall have no obligation to grant the Executive a “gross-up” or other “make-whole” compensation for any tax imposed under Section 409A.

i. No Duty to Mitigate. The Executive shall not be required to mitigate the amount of any cash payment or the value of any benefit provided for in this Agreement by seeking other employment, by seeking benefits from another employer or other source, or by pursuing any other type of mitigation. No payment or benefit provided for in this Agreement shall be offset or reduced by the amount of any cash compensation or the value of any benefit provided to the Executive in any subsequent employment or from any other source. Notwithstanding the foregoing, if the Executive begins to participate in the group health plan of another employer which provides benefits substantially similar to those provided by the Company pursuant to this Section 5, then the Executive shall promptly notify the Company and the Company may discontinue the health plan participation being provided the Executive pursuant to this Section 5.

#### 6. Code Section 4999 Excise Tax.

a. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or benefit (including any accelerated vesting of options or other equity awards) made or provided, or to be made or provided, by the Company (or any successor thereto or affiliate thereof) to or for the benefit of Executive, whether pursuant to the terms of this Agreement, any other agreement, plan, program or arrangement of or with Investment Holdings or the Company (or any successor thereto or affiliate thereof) or otherwise (a “Payment”), will be subject to the excise tax imposed by Section 4999 of the Code or any comparable tax imposed by any replacement or successor provision of United States tax law, then the Company will apply a limitation on the Payment amount as set forth in clause (i) below (a “Parachute Cap”), unless the provisions of clause (ii) below apply.

i. If clause (ii) does not apply, the aggregate present value of the Payments under Sections 5(e), (f) or (g) of this Agreement (“Agreement Payments”) shall be reduced (but not below zero) to the Reduced Amount. The “Reduced Amount” shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any excise tax under Section 4999 of the Code. For purposes of this clause (i), “present value” shall be determined in accordance with Section 280G(d)(4) of the Code. In the event that it is determined that the amount of the Agreement Payments will be reduced in accordance with this clause (i), the Agreement Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Executive. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis.

ii. It is the intention of the parties that the Parachute Cap apply only if application of the Parachute Cap is beneficial to the Executive. Therefore, if the net amount that would be retained by the Executive under this Agreement without the Parachute Cap, after



payment of any excise tax under Section 4999 of the Code, exceeds the net amount that would be retained by the Executive with the Parachute Cap, then the Company shall not apply the Parachute Cap to the Executive's payments.

b. All determinations to be made under this Section 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Executive within ten days of the termination date. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive.

c. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6 shall be borne solely by the Company.

7. Covenant Payments. In the event of a termination of the Executive under Section 5(e) or Section 5(f), in consideration for the covenants contained in Sections 8, 9 and 10 and provided that Executive is not otherwise in breach of Sections 8, 9 and 10 hereof, the Company shall pay to Executive an amount equal to seventy-five percent (75%) of the Covenant Payment, as hereinafter defined, at the time and in the form provided in Section 5(h). For purposes of this Agreement, the "Covenant Payment" is an amount equal to the applicable Multiplier multiplied by the sum of the Executive's Base Salary and Target Bonus for the year in which the date of termination occurs (or if no such Target Bonus has been established for the Executive for the year in which the date of termination occurs, the Target Bonus for the year immediately preceding the year in which the date of termination occurs) and the "Multiplier" shall be (A) two (2) in the event of termination under Section 5(e) or Section 5(f) (other than due to Good Reason resulting solely from notice of non-renewal of the term of this Agreement), in each case, prior to the expiration of the Initial Term; (B) one and one half (1.5) in the event of a termination under Section 5(e) or Section 5(f), in each case, on or following the expiration of the Initial Term; and (C) one and one half (1.5) in the event of a termination at any time during the term of this Agreement for Good Reason resulting solely from the provision by the Company of notice of non-renewal of the term of this Agreement.

#### 8. Confidential Information.

a. The Executive acknowledges that the Company continually develops Confidential Information (as defined in Section 14); that the Executive may develop Confidential Information for the Company; and that the Executive may learn of Confidential Information during the course of employment. The Executive shall not disclose to any Person or use, other than as required by applicable law or for the performance of her duties and responsibilities to the Company, any Confidential Information obtained by the Executive incident to her employment with the Company. The Executive understands that this restriction shall continue to apply after her employment terminates, regardless of the reason for such termination.

b. All documents, records, tapes and other media of every kind and description containing Confidential Information, and all copies, (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company. The

Executive shall return to the Company no later than the time her employment terminates all Documents then in the Executive's possession or control.

9. Assignment of Rights to Intellectual Property.

a. The Executive shall promptly and fully disclose all Intellectual Property (as defined in Section 14) to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. All copyrightable works that the Executive creates in the performance of her duties hereunder shall be considered "work made for hire."

b. Notwithstanding the foregoing, to the extent this Section 9 is subject to the provisions of California Labor Code Sections 2870, 2871 and 2872, Executive's obligation to assign Executive's right, title and interest throughout the world in and to all Intellectual Property does not apply to any inventions, designs, developments, contributions to or improvements of any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("Works") that Executive developed entirely on her own time without using the Company's equipment, supplies, facilities, or Confidential Information except for those Works developed or created either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any the Company resources that either: (i) relate to either (A) the business of Investment Holdings or the Company at the time of conception or reduction to practice of the Work, or actual or demonstrably anticipated research or development of Investment Holdings or the Company; or (ii) result from any Work performed by Executive for the Company. Executive shall disclose all Works to the Company, even if Executive does not believe that Executive is required under this Agreement, or pursuant to California Labor Code Section 2870, to assign her interest in such Works to the Company.

10. Restricted Activities.

a. While the Executive is employed by the Company and, except as otherwise provided in Section 10(b) and Section 10(c) below, for the period of two (2) years following the termination of the Executive's employment in the event of a termination for which the Executive is entitled to a Covenant Payment pursuant to Section 7 with a Multiplier of 2, and for a period of eighteen (18) months following the termination of the Executive's employment in the event of a termination for which the Executive is entitled to a Covenant Payment pursuant to Section 7 with a Multiplier of 1.5, (as applicable, the "Restricted Period"), subject to the Company's compliance with the post-employment terms of this Agreement, the Executive will not engage or participate in, directly or indirectly, alone or as principal, agent, employee, employer, consultant, investor or partner of, or assist in the management of, or provide advisory

or other services to, or own any stock or any other ownership interest in, or make any financial investment in, any business or entity which is Competitive with the Company (as defined below); *provided, however*, that it shall not be a violation of the foregoing (i) for the Executive to own not more than two percent (2%) of the outstanding securities of any class of securities listed on a national exchange or inter-dealer quotation system or (ii) following termination of the Executive's employment with the Company, for the Executive to provide services to any business or entity that has a line of business, division, subsidiary or other affiliate that is Competitive with the Company if the Executive is not employed in such line of business or division or by such subsidiary or other affiliate and is not involved, directly or indirectly, in the management, supervision or operations of such line of business, division, subsidiary or affiliate that is Competitive with the Company. For purposes of this Agreement, a business or entity shall be considered "Competitive with the Company" if such business or entity competes in any respect with a business in which Investment Holdings and its subsidiaries were engaged (including, specifically, services related to financial advisors), or any material products and/or services that Investment Holdings or its subsidiaries were actively developing or designing as of the date the Executive's employment with the Company terminated, provided that, prior to such termination, the Executive knew of such other business or such material product or such service under active development or design. In addition, during the Restricted Period, the Executive will not (other than when acting on behalf of the Company during the Executive's employment) (i) solicit, or attempt to solicit, any existing or prospective customers, targets, suppliers, financial advisors, officers or employees of Investment Holdings or any of its subsidiaries to terminate their relationship with Investment Holdings or any of its subsidiaries or (ii) divert, or attempt to divert, from Investment Holdings or any of its subsidiaries any of its customers, prospective customers, targets, suppliers, financial advisors, officers or employees or (iii) hire or engage or otherwise contract with, or attempt to hire or engage or otherwise contract with, any officers, employees or financial advisors of Investment Holdings or any of its subsidiaries, whether to be an employee, officer, agent, consultant or independent contractor; *provided, however*, that nothing in this Section 10(a) shall be deemed to prohibit the Executive from soliciting a customer, prospective customer, target or supplier of Investment Holdings or any of its subsidiaries during the Restricted Period if such action relates solely to a business which is not Competitive with the Company. A customer, prospective customer, target, supplier, financial advisor, officer or employee of Investment Holdings or any of its subsidiaries is any one who was such within the preceding twelve months, excluding, however, any prospective customer or target which was solicited solely by mass mailing or general advertisement during that period and any officer, employee or financial advisor whose relationship with Investment Holdings or the Company was terminated by Investment Holdings or the Company or any of their subsidiaries other than for circumstances that would constitute "cause" (within the meaning of any such definition applicable to such officer, employee or financial advisor, or, if no such definition is applicable, "cause" as defined in the existing equity compensation plan maintained with respect to employees of the Company) and provided further, with respect to Investment Holdings' subsidiaries, that the Executive during her employment with the Company was introduced to, or otherwise knew of or should have known of the relationship of, such customer, prospective customer, target, supplier, financial advisor or employee to the subsidiary.

b. Notwithstanding anything herein to the contrary and to the extent that the Investment Holdings Compensation Committee, in its sole discretion, does not waive the

obligation under this Section 10(b), in the event that the Executive terminates his employment hereunder without Good Reason, the Executive shall, at the Company's election, which election shall be provided to the Executive prior to the date of termination, (1) be subject to a Restricted Period which shall continue for a period of no less than 1 month to no more than 12 months following the date of termination of the Executive's employment, as designated by Investment Holdings, and shall receive the Covenant Payment described in Section 7 with a Multiplier equal to a fraction, the numerator of which shall equal the number of months in the Restricted Period (up to 12 months) and the denominator of which shall be 12, or (2) receive no Covenant Payment and be subject to no Restricted Period.

c. The Executive may seek a waiver from the Company of her obligations pursuant to this Section 10, which waiver shall not be unreasonably withheld or delayed. As of the date of the grant of such waiver by the Company, all payments and benefits under the applicable provision of Section 5 shall cease other than the payment of Final Compensation, excluding the payments and benefits under clause (v) of the definition thereof which shall cease or be reimbursed by the Executive on a pro-rata basis for the waived time period of the Restricted Period, as applicable) or Accrued Compensation, as applicable).

11. Reasonableness; Enforcement. The Company and the Executive acknowledge that the time, scope, geographic area and other provisions of Sections 8, 9 and 10 (the "Restrictive Covenants") have been specifically negotiated by sophisticated parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Restrictive Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Company, (iii) impose no undue hardship, (iv) are not injurious to the public, and (v) are essential to protect the business and goodwill of the Company and its affiliates and are a material term of this Agreement which has induced the Company to agree to provide for the payments and benefits described in this Agreement. The Executive further acknowledges and agrees that the Executive's breach of the Restrictive Covenants will cause the Company and Investment Holdings irreparable harm, which cannot be adequately compensated by money damages. The Executive and the Company agree that, in the event of an actual or threatened breach of Section 10, the Company shall be entitled, to the extent enforceable under applicable law, to injunctive relief for any actual or threatened violation of any of the Restrictive Covenants in addition to any other remedies it may have at law or equity, including money damages.

12. Survival. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 8, 9, 10 and 11 hereof and the obligations of the Company pursuant to Sections 5, 7 and 10(b) hereof.

13. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of her obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of her obligations

hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

14. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

a. "Change in Control" means the consummation, after the date of Closing, of (i) any transaction or series of related transactions, whether or not Investment Holdings is a party thereto, after giving effect to which in excess of fifty percent (50%) of Investment Holdings' voting power is owned directly, or indirectly through one or more entities, by any person and its "affiliates" or "associates" (as such terms are defined in the Exchange Act Rules) or any "group" (as defined in the Exchange Act Rules) other than, in each case, Investment Holdings or an affiliate of Investment Holdings immediately following the Closing, or (ii) a sale or other disposition of all or substantially all of the consolidated assets of Investment Holdings (each of the foregoing, a "Business Combination"), provided that, notwithstanding the foregoing, a Change in Control shall not be deemed to occur as a result of a Business Combination following which the individuals or entities who were beneficial owners of the outstanding securities entitled to vote generally in the election of directors of Investment Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction.

b. "Confidential Information" means any confidential proprietary information relating to the business of Investment Holdings, the Company or their affiliates or their respective customers or clients which has an economic value to Investment Holdings, the Company or their affiliates. Confidential Information does not include any information that enters the public domain other than through a breach by the Executive of her duties to Investment Holdings or the Company hereunder or which is obtained by the Executive from a third party which has no obligation of confidentiality to Investment Holdings or the Company.

c. "Intellectual Property" means any invention, formula, process, discovery, development, design, innovation or improvement (whether or not patentable or registrable under copyright statutes) made, conceived, or first actually reduced to practice by the Executive solely or jointly with others, during her employment by the Company; provided, however, that, as used in this Agreement, the term "Intellectual Property" shall not apply to any invention that the Executive develops on her own time, without using the equipment, supplies, facilities or trade secret information of Investment Holdings or the Company, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of Investment Holdings or the Company, (b) to the actual or demonstrably anticipated research or development of Investment Holdings or the Company or (c) results from any work performed by the Executive for Investment Holdings or the Company.

d. "Person" means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its subsidiaries.

15. Withholding. All payments or other benefits, to the extent required by law, made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

16. Legal Fees. The Company shall at its election either pay directly the joint legal expenses incurred by the Executive and the other executives of the Company with whom the Company is entering into employment agreements effective as of the Closing in the negotiation and preparation of their employment agreements or reimburse the Executive for her portion of such joint legal expenses. In addition, all reasonable costs and expenses that are reasonably documented (including court and arbitration costs and reasonable legal fees and expenses that reflect common practice with respect to the matters involved) incurred by the Executive as a result of any claim, action or proceeding arising out of this Agreement or the contesting, disputing or enforcing of any provision, right or obligation under this Agreement shall be paid, or reimbursed to the Executive, if, in the final resolution of the dispute, the Executive either recovers material monetary damages (in cash or in kind, such as benefits) or is the prevailing party on a material non-monetary claim (such as a dispute regarding a restrictive covenant).

17. Dispute Resolution.

a. Except as provided in Section 11, any dispute, controversy or claim between the parties arising out of this Agreement or the Executive's employment with the Company or termination of employment shall be settled by arbitration conducted in the city in which the Executive is located administered by the American Arbitration Association under its Employment Dispute Resolution Rules then in effect (except as modified by b. below).

b. In the event that a party requests arbitration (the "Requesting Party"), it shall serve upon the other party (the "Non-Requesting Party"), within one hundred and eighty (180) days of the date the Requesting Party knew, or reasonably should have known, of the facts on which the controversy, dispute or claim is based, a written demand for arbitration stating the substance of the controversy, dispute or claim, the contention of the party requesting arbitration and the name and address of the arbitrator appointed by it. The Non-Requesting Party, within sixty (60) days of such demand, shall accept the arbitrator or appoint a second arbitrator and notify the other party of the name and address of this second arbitrator so selected, in which case the two arbitrators shall appoint a third who shall be the sole arbitrator to hear the case. In the event that the two arbitrators fail in any instance to appoint a third arbitrator within thirty (30) days of the appointment of the second arbitrator, either arbitrator or any party to the arbitration may apply to the American Arbitration Association for appointment of the third arbitrator in accordance with the Rules, which arbitrator shall be the sole arbitrator to hear the case. Should the Non-Requesting Party (upon whom a demand for arbitration has been served) fail or refuse to accept the arbitrator appointed by the other party or to appoint an arbitrator within sixty (60) days, the single arbitrator shall have the right to decide alone, and such arbitrator's decision or award shall be final and binding upon the parties.

c. The decision of the arbitrator shall be in writing; shall set forth the basis for the decision; and shall be rendered within thirty (30) days following the hearing. The decision of the arbitrator shall be final and binding upon the parties and may be enforced and executed

upon in any court having jurisdiction over the party against whom enforcement of such award is sought.

18. No Withholding of Undisputed Payments. During the pendency of any dispute or controversy, the Company shall not withhold any payments or benefits due to the Executive, whether under this Agreement or otherwise, except for the specific portion of any payment or benefit that is the subject of a bona fide dispute between the parties.

19. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

20. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

21. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

22. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or the next business day following consignment for overnight delivery to a reputable national overnight courier service or five business days following deposit in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at her last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chairman of the Investment Holdings Board, or to such other address as a party may specify by notice to the other actually received. Copies of any notices, requests, demands and other communication to the Company by the Executive shall be sent by the to the investors at the following address: c/o Texas Pacific Group, 301 Commerce Street, Suite 3300, Fort Worth, TX 76102, Attn: Richard Schifter (Fax: 415-743-1501) and c/o Hellman & Friedman LLC, One Maritime Plaza, 12<sup>th</sup> Floor, San Francisco, CA 94111, Attn: Allen Thorpe (Fax: 415-835-5408).

23. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment including, without limitation, the applicable Executive Summary of Proposed Terms.

24. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an authorized representative of the Company subject to prior approval by the Investment Holdings Board.

25. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

26. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

27. Governing Law. This is a Massachusetts contract and shall be construed and enforced under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE

By: /s/ Esther M. Stearns  
Name: Esther M. Stearns

THE COMPANY

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

HOLDINGS

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

INVESTMENT HOLDINGS (with respect to Section 4(c) only)

By: /s/ Mark S. Casady  
Name: Mark S. Casady  
Title: Chief Executive Officer

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**Schedule 1**

**(A) Boards and Committees**

SIFMA Independent Firms Committee  
The Childrens School La Jolla

**(B) Base Salary**

\$625,000

**(C) 2010 Target Bonus**

\$601,563

**(D) Target Bonus**

\$601,563

Opportunity to Earn Bonus Compensation in Excess of Target Bonus: The amount of the Executive's bonus opportunity above Target Bonus (the "Outperformance Bonus"), and the performance necessary to earn the Outperformance Bonus, shall be determined by the Investment Holdings Compensation Committee on an annual basis after consultation with, and with good faith consideration of the views of, the CEO of the Company.

**(E) Annual Vacation**

4 weeks.

## AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 23rd day of July, 2010, by and between Stephanie L. Brown (the "Executive"), LPL Financial Corporation (the "Company"), LPL Holdings, Inc. ("Holdings") and LPL Investment Holdings Inc. ("Investment Holdings") (with respect to Section 4(c) only), to be effective upon the Closing (as defined below).

WHEREAS, Executive is currently employed by the Company, and previously entered into an employment agreement with Holdings, dated as of December 28, 2005 and amended as of June 1, 2008; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the amended and restated terms of the Executive's continued employment with the Company, effective as of the closing of the 2010 initial public offering of common stock by Investment Holdings (the "Closing").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts the terms of continued employment with the Company.

2. Term. Subject to earlier termination as hereafter provided, the Executive's employment hereunder shall have an original term of three (3) years commencing on the date of the Closing (the "Initial Term") and shall automatically be renewed thereafter for successive terms of one year each, unless the Company provides notice to the Executive at least ninety (90) days prior to the expiration of the Initial Term or any renewal term that the Agreement is not to be renewed, in which event this Agreement and the Executive's employment hereunder shall terminate at the expiration of the then-current term. The term of this Agreement, as from time to time renewed, is hereafter referred to as "the term of this Agreement" or "the term hereof." In the event that the Closing does not occur, this amendment and restatement of the Agreement shall be void *ab initio* and of no force or effect and the pre-existing employment agreement shall remain in effect.

3. Capacity and Performance.

a. During the term hereof, the Executive shall serve the Company as its Managing Director, General Counsel, reporting to the Chief Executive Officer of the Company (the "CEO").

b. During the term hereof, the Executive shall be employed by the Company on a full-time basis and shall have such duties, authority and responsibilities as are

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commensurate with her position and such other duties, consistent with her position, as may be designated from time to time by the Board of Directors of Investment Holdings (the "Investment Holdings Board").

c. During the term hereof, the Executive shall devote her full business time and her best efforts to the discharge of her duties and responsibilities hereunder; provided, however, that, subject to Section 9 hereof, the foregoing shall not be construed to prevent the Executive from attending to personal investments and community and charitable service, provided that such activities do not unreasonably interfere with the performance of Executive's duties to the Company. In addition, the Executive may serve on boards of directors and similar governing bodies, and committees thereof, subject to the approval of the Investment Holdings Board, which approval shall not be unreasonably withheld, and subject to Section 9 hereof. Notwithstanding the foregoing, the Executive may continue to serve on those boards and committees on which the Executive was serving at the time of the Closing, which boards and committees are listed on Schedule 1(A) of this Agreement.

4. Compensation and Benefits. As compensation for all services performed by the Executive during the term hereof:

a. Base Salary. During the term hereof, the Company shall pay the Executive a base salary at the rate per annum as set forth on Schedule 1(B) of this Agreement, payable in accordance with the regular payroll practices of the Company for its executives and subject to increase from time to time by the Investment Holdings Board (or its compensation committee, the "Investment Holdings Compensation Committee"). The Executive's base salary may only be decreased with the approval of the CEO of the Company and then only in an across-the-board salary reduction in which all executives and other employees are subject to an equal percentage reduction. The Executive's base salary, as from time to time increased or decreased in accordance with Agreement, is hereafter referred to as the "Base Salary."

b. Bonus Compensation.

i. The Executive shall be eligible to receive a full bonus, without pro-rata, for calendar year 2010, determined in accordance with the Company's employee cash bonus plan as in effect immediately prior to the Closing, as set forth in Schedule 1(C) hereto.

ii. Each calendar year thereafter during the term hereof, the Executive shall be eligible to participate in the cash bonus plan or other incentive compensation plan in effect for employees of the Company generally, under which, consistent with the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the plan elements described in clauses (A) and (C) below shall be not be decreased from those applicable to the Executive under the bonus plan in effect immediately prior to the Closing, and the plan element described in clause (B) below shall be substantially consistent with past practice: (A) the target bonus, (B) the level of performance required to reach target and (C) the opportunity to earn bonus compensation in excess of target, with respect to clauses (A) and (C) as set forth on Schedule 1(D) hereto. Neither the Executive's target bonus nor the opportunity to earn bonus compensation in excess of target may be subject to an adverse change and the level of performance required to reach target may not be materially

adversely changed except with the approval of the CEO of the Company and then only in an across-the-board change which affects equally all employees participating in the bonus plan. Such cash bonus shall be in addition to the Base Salary. The Executive's target bonus under the executive cash bonus plan is referred to hereafter as the "Target Bonus." In clarification of the foregoing, the actual bonus earned by the Executive for any given calendar year, may be below, at or above the Target Bonus, based on actual performance. Subject to any effective deferral election made available and elected by the Executive, each bonus earned by the Executive hereunder shall be paid no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

c. Equity Compensation. The Executive shall be eligible to participate in all equity compensation plans and programs applicable to senior executives of the Company and shall receive such grants as may be provided from time to time by Investment Holdings in the discretion of the Investment Holdings Board or the Investment Holdings Compensation Committee. Each grant will be subject to the terms and conditions of the applicable Investment Holdings' equity compensation plan and grant agreements which shall provide in relevant part that: (i) upon the occurrence of a Change in Control occurring after the effective date of this Agreement, all outstanding equity compensation awards held by the Executive will become fully vested and/or exercisable, as the case may be, as of the date of the Change in Control; (ii) upon a termination of the Executive's employment for any reason, the portion of any equity compensation award which has not vested shall terminate; (iii) in the event the Executive's employment terminates for any reason other than for Cause, death or disability, the Executive may exercise any vested portion of any stock option or stock appreciation right (collectively, "Stock Right") held by her on the date of termination provided that he does so prior to the earlier of (A) ninety (90) days following termination of employment and (B) the expiration of the scheduled term of the Stock Right; (iv) in the event the Executive's employment is terminated due to death or disability (as defined in Section 5(b)), then the Executive, or, as applicable in the event of death, her beneficiary or estate, may exercise any vested portion of any Stock Right held by the Executive on the date employment terminates for the shorter of (A) the period of twelve (12) months following the termination date and (B) with respect to each Stock Right individually, the expiration of the scheduled term of such Stock Right; and (v) upon a termination of the Executive's employment by the Company for Cause, all equity compensation awards shall be forfeited immediately.

d. Vacations. During the term hereof, the Executive shall be eligible for the number of weeks of vacation per year set forth on Schedule 1(E) to this Agreement, subject to the vacation policies of the Company generally applicable to its executives, as in effect from time to time, provided that the Executive shall not be barred from taking up to the maximum number of weeks of vacation in any given year solely by reason of the Executive's failure to work for a specified period of time during such year prior to the time of such vacation.

e. Other Benefits. During the term hereof, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for executives and/or employees of the Company generally, provided that the Executive shall receive benefits pursuant to plans, programs and policies (other than any equity-based compensation plan or program) that

are comparable, and no less favorable in the aggregate, to those benefits offered to her immediately prior to the Closing.

f. Business Expenses. During the term hereof, the Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of her duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as the Company may require and otherwise consistent with the Company's policies generally applicable to its executives, as in effect from time to time.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term hereof under the circumstances specified below. Subject to the execution, delivery and nonrevocation by the Executive, the Executive's beneficiary, or the representative of the Executive's estate, as applicable, of a release of claims agreement (the "Release") in the form provided by the Company within the time period specified by the Company, which shall not exceed 60 days following the date of termination, and provided that the Executive has complied in all material respects with the terms and conditions of the Release, the Company shall provide the Executive with the payments and benefits set forth below:

a. Termination due to Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to her estate, "Final Compensation" which shall include all of the following: (i) the Base Salary earned but not paid through the date of termination, (ii) pay for any vacation time earned but not used through the date of termination, (iii) payment of any annual bonus earned but not paid for the year preceding that in which the date of termination occurs, (iv) reimbursement for any business expenses incurred by the Executive and reimbursable pursuant to Section 4(f) hereof but un-reimbursed on the date of termination (clauses (i), (ii), (iii) and (iv), collectively, the "Termination Entitlements"), (v) a bonus for the year in which the date of termination occurs determined by multiplying the Target Bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365 ("Pro-Rated Portion of Target Bonus"), (vi) a single lump-sum payment equal to the premium (including the additional amount (if any) charged for administrative costs as permitted by the Federal law known as "COBRA") of continued health and dental plan participation under COBRA for the Executive (in the event of a termination other than as a result of death) and for the Executive's qualified beneficiaries (as that term is defined under COBRA) for the one (1) year period immediately following the date of termination (the "Premium Payment") and, the Company shall have no further obligation to the Executive hereunder, other than (A) obligations due to the Executive as of the date of termination but not yet satisfied, such as, by way of example but not limitation, an uncorrected error in Base Salary or an outstanding claim under one of the welfare plans or an uncorrected error in the Executive's retirement plan account, and (B) obligations which, whether or not due to the Executive as of the date of termination, survive termination, such as, by way of example but not limitation, rights to exercise vested stock options (all of the foregoing, under clauses (A) and (B) hereof, the "Surviving Company Obligations").

b. Termination due to Disability. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of her duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for any period of six (6) consecutive months. During any period in which the Executive is disabled but prior to the Executive's date of termination, the Executive shall continue to receive all compensation and benefits under Section 4 hereof while her employment continues. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of her duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. In the event of termination by the Company due to the Executive's disability, the Company shall provide the Executive with the Final Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

c. Retirement. The Executive may elect to retire voluntarily on thirty (30) days' notice to the Company, provided that the Executive is then at least 65 years of age. In such event, the Company shall pay to the Executive the Final Compensation (other than the benefits under clause (v) of the definition thereof (the "Accrued Compensation")) and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

d. Termination by the Company for Cause. The Company may terminate the Executive's employment at any time for "Cause," which shall mean only (i) the intentional failure to perform (excluding by reason of disability) or gross negligence or willful misconduct in the performance of regular duties or other breach of fiduciary duty or material breach of this Agreement which remains uncured after thirty (30) days' notice specifying in reasonable detail the nature of the failure, negligence, misconduct or breach and what is required of the Executive to cure, (ii) conviction or plea of *nolo contendere* to a felony or (iii) fraud or embezzlement or other dishonesty which has a material adverse effect on the Company. Before terminating the Executive for Cause, (A) at least two-thirds (2/3) of the members of the Investment Holdings Board (excluding the Executive, if a Board member) must conclude in good faith that, in their view, one of the events described in subsection (i), (ii) or (iii) above has occurred and (B) such Board determination must be made at a duly convened meeting of the Investment Holdings

Board (X) of which the Executive received written notice at least ten (10) days in advance, which notice shall have set forth in reasonable detail the facts and circumstances claimed to provide a basis for the Company's belief that one of the events described in subsection (i), (ii) or (iii) above occurred and, in the case of an event under subsection (i), remains uncured at the expiration of the notice period, and (Y) at which the Executive had a reasonable opportunity to make a statement and answer the allegations against the Executive. In the event of the termination of the Executive's employment by the Company for Cause, the Company shall pay to the Executive the Termination Entitlements and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. The parties acknowledge and agree that this definition of "Cause" shall be applicable and controlling with respect to the grant agreements executed by the Executive under any equity compensation plan or arrangement sponsored by Investment Holdings or the Company.

e. Termination by the Company other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon ten (10) days notice to the Executive. Termination by the Company on or following expiration of the term hereof (other than a termination due to the Executive's death or disability or under circumstances that would constitute "Cause" if this Agreement were still in effect) will be treated as a termination other than for Cause under this Section 5(e). In the event of termination under this Section 5(e), the Executive shall be entitled to receive the Accrued Compensation (other than the Premium Payment) and the following additional payments as severance: (i) a bonus for the year in which the date of termination occurs based on actual performance determined by multiplying the bonus that would have been earned by the Executive had the Executive remained in service until the date required to earn a full bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365, provided that if the bonus amount exceeds the Pro-Rated Portion of Target Bonus, such bonus amount shall be limited to the Pro-Rated Portion of Target Bonus, and (ii) subject to Executive's continued compliance with her obligations under Sections 7, 8 and 9 hereof, (x) an amount equal to the applicable Severance Multiplier multiplied by the sum of the Executive's Base Salary and Target Bonus for the year in which the date of termination occurs (or if no such Target Bonus has been established for the Executive for the year in which the date of termination occurs, the Target Bonus for the year immediately preceding the year in which the date of termination occurs) and (y) for two years following the date of termination, continued participation of the Executive and her qualified beneficiaries, as applicable, under the Company's group life, health, dental and vision plans in which the Executive was participating immediately prior to the date of termination, subject to any premium contributions required of the Executive at the rate in effect on the date of termination of her employment, provided that, in the event that such health coverage continuation would be discriminatory for federal income tax purposes, the Executive shall be permitted to purchase, through the Company at COBRA rates if possible, and be reimbursed by the Company on a quarterly basis in arrears for, equivalent health benefit coverage for the Executive and her qualified beneficiaries. Subject to the foregoing, the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. For purpose of this Agreement, the "Severance Multiplier" shall be (A) two (2) in the event of termination under Section 5(e) or Section 5(f) (other than due to Good Reason resulting solely from notice of non-renewal of the term of this Agreement), in each case,



prior to the expiration of the Initial Term; (B) one and one half (1.5) in the event of a termination under Section 5(e) or Section 5(f), in each case, on or following the expiration of the Initial Term; (C) one and one half (1.5) in the event of a termination at any time during the term of this Agreement for Good Reason resulting solely from the provision by the Company of notice of non-renewal of the term of this Agreement; and (D) one (1) in the event of a termination of the Executive under Section 5(g) and pursuant to which the Company makes the election under Section 9(b) hereof. Except as otherwise provided in the Agreement, any payments due under Section 5(e), Section 5(f), Section 5(g) or Section 9(b), as applicable, shall be payable in equal monthly installments over the number of years and/or portions thereof equal to the applicable Severance Multiplier; and, subject to Section 5(h), shall begin at the Company's next regular payday following the 60th day after the effective date of termination provided that the Executive has executed and not revoked the Release and is compliant in all material respects with the Release terms and conditions. Notwithstanding the foregoing, the pro-rated annual bonus earned by the Executive for the year in which the date of termination occurs as calculated in accordance with this Section 5(e) shall be paid in a lump sum no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned. For the avoidance of doubt, if the Executive does not execute a Release or if the Executive revokes an executed Release within the time period permitted by law, the Executive shall not be entitled to the payments and benefits, other than the Termination Entitlements, set forth in this Section 5.

f. Termination by the Executive for Good Reason. The Executive may terminate her employment hereunder for Good Reason and, in that event, subject to Executive's continued compliance with her obligations under Sections 7, 8 and 9 hereof, shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. "Good Reason" shall mean only (A) the occurrence, without the Executive's express written consent (which may be withheld for any or no reason) of any of the events or conditions described in the following subsections (i) through (viii), provided that, except with respect to the event described in subsection (viii), the Executive gives written notice to the Company of the occurrence of Good Reason within ninety (90) days following the date on which the Executive first knew or reasonably should have known of such occurrence and the Company shall not have fully corrected the situation within thirty (30) days following such notice or (B) termination (for any or no reason) by written notice from the Executive given within the thirty day period immediately following the twelve month anniversary of a Change of Control occurring after the effective date of this Agreement. The following occurrences shall constitute Good Reason for purposes of clause (A) of this Section 5(f): (i) a reduction in the Executive's Base Salary (other than as expressly permitted under Section 4(a) hereof); (ii) an adverse change in the Executive's bonus opportunity through reduction of the Target Bonus or the maximum available bonus or a material adverse change in the goals or level of performance required to achieve the Target Bonus (other than as expressly permitted under Section 4(b) hereof); (iii) a failure by the Company to pay or provide to the Executive any compensation or benefits to which the Executive is entitled hereunder; (iv) (A) a material adverse change in the Executive's status, positions, titles, offices, duties and responsibilities, authorities or reporting relationship from those in effect immediately before such change; (B) the assignment to the Executive of any duties or responsibilities that are substantially inconsistent with the Executive's status, positions,

titles, offices or responsibilities as in effect immediately before such assignment; or (C) any removal of the Executive from or failure to reappoint or reelect the Executive to any of such positions, titles or offices; provided that termination of the Executive's employment by the Company for Cause, by the Executive other than for Good Reason pursuant to Section 5(g) hereof, or a termination as a result of the Executive's death or disability shall not be deemed to constitute or result in Good Reason under this subsection (iv); (v) the Company's changing the location of the Boston, Massachusetts headquarter offices to a location more than twenty-five (25) miles from the location of such offices, or the Company's requiring the Executive to be based at a location other than the Company's Boston headquarter offices; provided that in all such cases the Company may require the Executive to travel on Company business including being temporarily based at other Company locations as long as such travel is reasonable and is not materially greater or different than the Executive's travel requirements before the Closing; (vi) any material breach by Investment Holdings or the Company of this Agreement, any agreement by Investment Holdings or the Company to indemnify the Executive or any other material written agreement between Investment Holdings or the Company and the Executive; (vii) the failure by the Company to obtain, before completion of a Change in Control, an agreement in writing from any successor or assign to assume and fully perform under this Agreement; or (viii) the provision of notice by the Company of non-renewal of this Agreement.

g. By the Executive Other than for Good Reason. The Executive may terminate her employment hereunder at any time upon thirty (30) days' notice to the Company. In the event of termination by the Executive pursuant to this Section 5(g), the Investment Holdings Board may elect to waive the period of notice, or any portion thereof, and, if the Investment Holdings Board so elects, the Company will pay the Executive her Base Salary for the notice period (or for any remaining portion of the period). The Company shall also provide the Employee the Accrued Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. At the election of the Company, in accordance with and subject to the provisions of Section 9(b) hereof and subject to the Executive's continued compliance with her obligations under Sections 7, 8 and 9 hereof, the Executive shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder, but with a Severance Multiplier of one (1).

h. Timing of Payments. In the event that at the time the Executive employment terminates the Company's shares are publicly traded (as defined in Section 409A of the Code) or the limitation on payments or provision of benefits imposed by Section 409A(a)(2)(B) would otherwise be applicable, any amounts payable or benefits provided under Section 5 that would have been payable during the six (6) months following the date of termination of employment with the Company and would otherwise be considered deferred compensation subject to the additional twenty percent (20%) tax imposed by Section 409A if paid within such six (6) month period shall be paid, in a lump sum on the business day after the date that is the earlier of (x) six (6) months following the date of termination, or (y) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A. In addition, the administration of the Release requirements described under this Section 5 shall be implemented such that where the period for execution and non-revocation of a release spans more than one calendar year, any payment contingent on the execution of the

Release shall not be made until the second calendar year, or later, as required by the applicable terms of this Agreement and Section 409A. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company shall have no obligation to grant the Executive a “gross-up” or other “make-whole” compensation for any tax imposed under Section 409A.

i. No Duty to Mitigate. The Executive shall not be required to mitigate the amount of any cash payment or the value of any benefit provided for in this Agreement by seeking other employment, by seeking benefits from another employer or other source, or by pursuing any other type of mitigation. No payment or benefit provided for in this Agreement shall be offset or reduced by the amount of any cash compensation or the value of any benefit provided to the Executive in any subsequent employment or from any other source. Notwithstanding the foregoing, if the Executive begins to participate in the group health plan of another employer which provides benefits substantially similar to those provided by the Company pursuant to this Section 5, then the Executive shall promptly notify the Company and the Company may discontinue the health plan participation being provided the Executive pursuant to this Section 5.

#### 6. Code Section 4999 Excise Tax.

a. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or benefit (including any accelerated vesting of options or other equity awards) made or provided, or to be made or provided, by the Company (or any successor thereto or affiliate thereof) to or for the benefit of Executive, whether pursuant to the terms of this Agreement, any other agreement, plan, program or arrangement of or with Investment Holdings or the Company (or any successor thereto or affiliate thereof) or otherwise (a “Payment”), will be subject to the excise tax imposed by Section 4999 of the Code or any comparable tax imposed by any replacement or successor provision of United States tax law, then the Company will apply a limitation on the Payment amount as set forth in clause (i) below (a “Parachute Cap”), unless the provisions of clause (ii) below apply.

i. If clause (ii) does not apply, the aggregate present value of the Payments under Sections 5(e), (f) or (g) of this Agreement (“Agreement Payments”) shall be reduced (but not below zero) to the Reduced Amount. The “Reduced Amount” shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any excise tax under Section 4999 of the Code. For purposes of this clause (i), “present value” shall be determined in accordance with Section 280G(d)(4) of the Code. In the event that it is determined that the amount of the Agreement

Payments will be reduced in accordance with this clause (i), the Agreement Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Executive. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis.

ii. It is the intention of the parties that the Parachute Cap apply only if application of the Parachute Cap is beneficial to the Executive. Therefore, if the net amount that would be retained by the Executive under this Agreement without the Parachute Cap, after payment of any excise tax under Section 4999 of the Code, exceeds the net amount that would be retained by the Executive with the Parachute Cap, then the Company shall not apply the Parachute Cap to the Executive's payments.

b. All determinations to be made under this Section 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Executive within ten days of the termination date. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive.

c. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6 shall be borne solely by the Company.

#### 7. Confidential Information.

a. The Executive acknowledges that the Company continually develops Confidential Information (as defined in Section 13); that the Executive may develop Confidential Information for the Company; and that the Executive may learn of Confidential Information during the course of employment. The Executive shall not disclose to any Person or use, other than as required by applicable law or for the performance of her duties and responsibilities to the Company, any Confidential Information obtained by the Executive incident to her employment with the Company. The Executive understands that this restriction shall continue to apply after her employment terminates, regardless of the reason for such termination.

b. All documents, records, tapes and other media of every kind and description containing Confidential Information, and all copies, (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company. The Executive shall return to the Company no later than the time her employment terminates all Documents then in the Executive's possession or control.

8. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property (as defined in Section 13) to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and

delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. All copyrightable works that the Executive creates in the performance of her duties hereunder shall be considered “work made for hire.”

#### 9. Restricted Activities.

a. While the Executive is employed by the Company and, except as otherwise provided in Section 9(b) and Section 9(c) below, for the period of two (2) years following the termination of the Executive’s employment for any reason (including retirement) or, in the event of a termination for which the Executive is entitled to severance pay calculated with a Severance Multiplier of 1.5, for a period of eighteen (18) months following such termination, (as applicable, the “Non-Competition Period”), subject to the Company’s compliance with the post-employment terms of this Agreement, the Executive will not engage or participate in, directly or indirectly, alone or as principal, agent, employee, employer, consultant, investor or partner of, or assist in the management of, or provide advisory or other services to, or own any stock or any other ownership interest in, or make any financial investment in, any business or entity which is Competitive with the Company (as defined below); *provided, however*, that it shall not be a violation of the foregoing (i) for the Executive to own not more than two percent (2%) of the outstanding securities of any class of securities listed on a national exchange or inter-dealer quotation system or (ii) following termination of the Executive’s employment with the Company, for the Executive to provide services to any business or entity that has a line of business, division, subsidiary or other affiliate that is Competitive with the Company if the Executive is not employed in such line of business or division or by such subsidiary or other affiliate and is not involved, directly or indirectly, in the management, supervision or operations of such line of business, division, subsidiary or affiliate that is Competitive with the Company. For purposes of this Agreement, a business or entity shall be considered “Competitive with the Company” if such business or entity competes in any respect with a business in which Investment Holdings and its subsidiaries were engaged (including, specifically, services related to financial advisors), or any material products and/or services that Investment Holdings or its subsidiaries were actively developing or designing as of the date the Executive’s employment with the Company terminated, provided that, prior to such termination, the Executive knew of such other business or such material product or such service under active development or design. In addition, during the Non-Competition Period, the Executive will not (other than when acting on behalf of the Company during the Executive’s employment) (i) solicit, or attempt to solicit, any existing or prospective customers, targets, suppliers, financial advisors, officers or employees of Investment Holdings or any of its subsidiaries to terminate their relationship with Investment Holdings or any of its subsidiaries or (ii) divert, or attempt to divert, from Investment Holdings or any of its subsidiaries any of its customers, prospective customers, targets, suppliers, financial advisors, officers or employees or (iii) hire or engage or otherwise contract with, or attempt to hire or engage or otherwise contract with, any officers, employees or financial advisors of Investment Holdings or any of its subsidiaries, whether to be an employee, officer, agent, consultant or independent contractor; *provided, however*, that nothing in this Section 9(a) shall be deemed to prohibit the Executive from soliciting a customer, prospective customer, target or supplier of Investment Holdings or any of its subsidiaries during

the Non-Competition Period if such action relates solely to a business which is not Competitive with the Company. A customer, prospective customer, target, supplier, financial advisor, officer or employee of Investment Holdings or any of its subsidiaries is any one who was such within the preceding twelve months, excluding, however, any prospective customer or target which was solicited solely by mass mailing or general advertisement during that period and any officer, employee or financial advisor whose relationship with Investment Holdings or the Company was terminated by Investment Holdings or the Company or any of their subsidiaries other than for circumstances that would constitute "cause" (within the meaning of any such definition applicable to such officer, employee or financial advisor, or, if no such definition is applicable, "cause" as defined in the existing equity compensation plan maintained with respect to employees of the Company) and provided further, with respect to Investment Holdings' subsidiaries, that the Executive during her employment with the Company was introduced to, or otherwise knew of or should have known of the relationship of, such customer, prospective customer, target, supplier, financial advisor or employee to the subsidiary.

b. Notwithstanding anything herein to the contrary and to the extent that the Investment Holdings Compensation Committee, in its sole discretion, does not waive the obligation under this Section 9(b), in the event that the Executive terminates her employment hereunder without Good Reason, the Executive shall, at the Company's election, which election shall be provided to the Executive prior to the date of termination, (1) receive the payments and benefits specified in Section 5(e) with a Severance Multiplier of one (1) and be subject to a Non-Competition Period which shall continue for two (2) years following the date of termination of the Executive's employment, or (2) receive no payments and benefits specified in Section 5(e) and be subject to a Non-Competition Period which shall continue for one (1) year following the date of termination of the Executive's employment.

c. The Executive may seek a waiver from the Company of her obligations pursuant to this Section 9, which waiver shall not be unreasonably withheld or delayed. As of the date of the grant of such waiver by the Company, all payments and benefits under the applicable provision of Section 5 shall cease other than the payment of Final Compensation, excluding the payments and benefits under clause (v) of the definition thereof which shall cease or be reimbursed by the Executive on a pro-rata basis for the waived time period of the Non-Competition Period, as applicable) or Accrued Compensation, as applicable).

10. Reasonableness; Enforcement. The Company and the Executive acknowledge that the time, scope, geographic area and other provisions of Sections 7, 8 and 9 (the "Covenants") have been specifically negotiated by sophisticated parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Company, (iii) impose no undue hardship, (iv) are not injurious to the public, and (v) are essential to protect the business and goodwill of the Company and its affiliates and are a material term of this Agreement which has induced the Company to agree to provide for the payments and benefits described in this Agreement. The Executive further acknowledges and agrees that the Executive's breach of the Covenants will cause the Company and Investment Holdings irreparable harm, which cannot be adequately compensated by money

damages. The Executive and the Company agree that, in the event of an actual or threatened breach of Section 9, the Company shall be entitled to injunctive relief for any actual or threatened violation of any of the Covenants in addition to any other remedies it may have at law or equity, including money damages.

11. Survival. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 7, 8, 9 and 10 hereof and the obligations of the Company pursuant to Section 5 hereof.

12. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of her obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of her obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

13. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

a. "Change in Control" means the consummation, after the date of Closing, of (i) any transaction or series of related transactions, whether or not Investment Holdings is a party thereto, after giving effect to which in excess of fifty percent (50%) of Investment Holdings' voting power is owned directly, or indirectly through one or more entities, by any person and its "affiliates" or "associates" (as such terms are defined in the Exchange Act Rules) or any "group" (as defined in the Exchange Act Rules) other than, in each case, Investment Holdings or an affiliate of Investment Holdings immediately following the Closing, or (ii) a sale or other disposition of all or substantially all of the consolidated assets of Investment Holdings (each of the foregoing, a "Business Combination"), provided that, notwithstanding the foregoing, a Change in Control shall not be deemed to occur as a result of a Business Combination following which the individuals or entities who were beneficial owners of the outstanding securities entitled to vote generally in the election of directors of Investment Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction.

b. "Confidential Information" means any confidential proprietary information relating to the business of Investment Holdings, the Company or their affiliates or their respective customers or clients which has an economic value to Investment Holdings, the Company or their affiliates. Confidential Information does not include any information that enters the public domain other than through a breach by the Executive of her duties to Investment Holdings or the Company hereunder or which is obtained by the Executive from a third party which has no obligation of confidentiality to Investment Holdings or the Company.

c. “Intellectual Property” means any invention, formula, process, discovery, development, design, innovation or improvement (whether or not patentable or registrable under copyright statutes) made, conceived, or first actually reduced to practice by the Executive solely or jointly with others, during her employment by the Company; provided, however, that, as used in this Agreement, the term “Intellectual Property” shall not apply to any invention that the Executive develops on her own time, without using the equipment, supplies, facilities or trade secret information of Investment Holdings or the Company, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of Investment Holdings or the Company, (b) to the actual or demonstrably anticipated research or development of Investment Holdings or the Company or (c) results from any work performed by the Executive for Investment Holdings or the Company.

d. “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its subsidiaries.

14. Withholding. All payments or other benefits, to the extent required by law, made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

15. Legal Fees. The Company shall at its election either pay directly the joint legal expenses incurred by the Executive and the other executives of the Company with whom the Company is entering into employment agreements effective as of the Closing in the negotiation and preparation of their employment agreements or reimburse the Executive for her portion of such joint legal expenses. In addition, all reasonable costs and expenses that are reasonably documented (including court and arbitration costs and reasonable legal fees and expenses that reflect common practice with respect to the matters involved) incurred by the Executive as a result of any claim, action or proceeding arising out of this Agreement or the contesting, disputing or enforcing of any provision, right or obligation under this Agreement shall be paid, or reimbursed to the Executive, if, in the final resolution of the dispute, the Executive either recovers material monetary damages (in cash or in kind, such as benefits) or is the prevailing party on a material non-monetary claim (such as a dispute regarding a restrictive covenant).

#### 16. Dispute Resolution.

a. Except as provided in Section 10, any dispute, controversy or claim between the parties arising out of this Agreement or the Executive’s employment with the Company or termination of employment shall be settled by arbitration conducted in the city in which the Executive is located administered by the American Arbitration Association under its Employment Dispute Resolution Rules then in effect (except as modified by b. below).

b. In the event that a party requests arbitration (the “Requesting Party”), it shall serve upon the other party (the “Non-Requesting Party”), within one hundred and eighty (180) days of the date the Requesting Party knew, or reasonably should have known, of the facts on which the controversy, dispute or claim is based, a written demand for arbitration stating the substance of the controversy, dispute or claim, the contention of the party requesting arbitration and the name and address of the arbitrator appointed by it. The Non-Requesting Party, within



sixty (60) days of such demand, shall accept the arbitrator or appoint a second arbitrator and notify the other party of the name and address of this second arbitrator so selected, in which case the two arbitrators shall appoint a third who shall be the sole arbitrator to hear the case. In the event that the two arbitrators fail in any instance to appoint a third arbitrator within thirty (30) days of the appointment of the second arbitrator, either arbitrator or any party to the arbitration may apply to the American Arbitration Association for appointment of the third arbitrator in accordance with the Rules, which arbitrator shall be the sole arbitrator to hear the case. Should the Non-Requesting Party (upon whom a demand for arbitration has been served) fail or refuse to accept the arbitrator appointed by the other party or to appoint an arbitrator within sixty (60) days, the single arbitrator shall have the right to decide alone, and such arbitrator's decision or award shall be final and binding upon the parties.

c. The decision of the arbitrator shall be in writing; shall set forth the basis for the decision; and shall be rendered within thirty (30) days following the hearing. The decision of the arbitrator shall be final and binding upon the parties and may be enforced and executed upon in any court having jurisdiction over the party against whom enforcement of such award is sought.

17. No Withholding of Undisputed Payments. During the pendency of any dispute or controversy, the Company shall not withhold any payments or benefits due to the Executive, whether under this Agreement or otherwise, except for the specific portion of any payment or benefit that is the subject of a bona fide dispute between the parties.

18. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

19. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

21. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or the next business day following consignment for overnight delivery to a reputable national overnight courier service or five business days following deposit in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at her last known

address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chairman of the Investment Holdings Board, or to such other address as a party may specify by notice to the other actually received. Copies of any notices, requests, demands and other communication to the Company by the Executive shall be sent by the to the investors at the following address: c/o Texas Pacific Group, 301 Commerce Street, Suite 3300, Fort Worth, TX 76102, Attn: Richard Schifter (Fax: 415-743-1501) and c/o Hellman & Friedman LLC, One Maritime Plaza, 12<sup>th</sup> Floor, San Francisco, CA 94111, Attn: Allen Thorpe (Fax: 415-835-5408).

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment including, without limitation, the applicable Executive Summary of Proposed Terms.

23. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an authorized representative of the Company subject to prior approval by the Investment Holdings Board.

24. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

25. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

26. Governing Law. This is a Massachusetts contract and shall be construed and enforced under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown

THE COMPANY

By: /s/ Mark S. Casady  
Name: Mark S. Casady  
Title: Chief Executive Officer

HOLDINGS

By: /s/ Mark S. Casady  
Name: Mark S. Casady  
Title: Chief Executive Officer

INVESTMENT HOLDINGS (with respect to Section 4(c) only)

By: /s/ Mark S. Casady  
Name: Mark S. Casady  
Title: Chief Executive Officer

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**Schedule 1**

**(A) Boards and Committees**

FINRA's National Adjudicatory Council's Statutory Disqualification Committee  
FINRA's Independent Broker/Dealer Committee  
FINRA's Membership Committee  
FINRA's SIFMA Private Client Legal Committee  
FINRA's IRI Governmental Relations Committee  
Financial Services Roundtable  
Financial Services Roundtable's Lawyers' Council  
Financial Services Regulatory Oversight Committee  
Financial Services Securities Working Group  
Boston Philharmonic Orchestra Board  
Boston Ballet Board of Overseers

**(B) Base Salary**

\$375,000

**(C) 2010 Target Bonus**

\$375,000

**(D) Target Bonus**

\$375,000

Opportunity to Earn Bonus Compensation in Excess of Target Bonus: The amount of the Executive's bonus opportunity above Target Bonus (the "Outperformance Bonus"), and the performance necessary to earn the Outperformance Bonus, shall be determined by the Investment Holdings Compensation Committee on an annual basis after consultation with, and with good faith consideration of the views of, the CEO of the Company.

**(E) Annual Vacation**

4 weeks.

## AGREEMENT

THIS AMENDED AND RESTATED EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 23rd day of July, 2010, by and between William E. Dwyer III (the "Executive"), LPL Financial Corporation (the "Company"), LPL Holdings, Inc. ("Holdings") and LPL Investment Holdings Inc. ("Investment Holdings") (with respect to Section 4(c) only), to be effective upon the Closing (as defined below).

WHEREAS, Executive is currently employed by the Company, and previously entered into an employment agreement with Holdings, dated as of December 28, 2005 and amended as of June 1, 2008; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the amended and restated terms of the Executive's continued employment with the Company, effective as of the closing of the 2010 initial public offering of common stock by Investment Holdings (the "Closing").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts the terms of continued employment with the Company.

2. Term. Subject to earlier termination as hereafter provided, the Executive's employment hereunder shall have an original term of three (3) years commencing on the date of the Closing (the "Initial Term") and shall automatically be renewed thereafter for successive terms of one year each, unless the Company provides notice to the Executive at least ninety (90) days prior to the expiration of the Initial Term or any renewal term that the Agreement is not to be renewed, in which event this Agreement and the Executive's employment hereunder shall terminate at the expiration of the then-current term. The term of this Agreement, as from time to time renewed, is hereafter referred to as "the term of this Agreement" or "the term hereof." In the event that the Closing does not occur, this amendment and restatement of the Agreement shall be void *ab initio* and of no force or effect and the pre-existing employment agreement shall remain in effect.

3. Capacity and Performance.

a. During the term hereof, the Executive shall serve the Company as its Managing Director, President — National Sales and Marketing, reporting to the Chief Executive Officer of the Company (the "CEO").

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b. During the term hereof, the Executive shall be employed by the Company on a full-time basis and shall have such duties, authority and responsibilities as are commensurate with his position and such other duties, consistent with his position, as may be designated from time to time by the Board of Directors of Investment Holdings (the "Investment Holdings Board").

c. During the term hereof, the Executive shall devote his full business time and his best efforts to the discharge of his duties and responsibilities hereunder; provided, however, that, subject to Section 9 hereof, the foregoing shall not be construed to prevent the Executive from attending to personal investments and community and charitable service, provided that such activities do not unreasonably interfere with the performance of Executive's duties to the Company. In addition, the Executive may serve on boards of directors and similar governing bodies, and committees thereof, subject to the approval of the Investment Holdings Board, which approval shall not be unreasonably withheld, and subject to Section 9 hereof. Notwithstanding the foregoing, the Executive may continue to serve on those boards and committees on which the Executive was serving at the time of the Closing, which boards and committees are listed on Schedule 1(A) of this Agreement.

4. Compensation and Benefits. As compensation for all services performed by the Executive during the term hereof:

a. Base Salary. During the term hereof, the Company shall pay the Executive a base salary at the rate per annum as set forth on Schedule 1(B) of this Agreement, payable in accordance with the regular payroll practices of the Company for its executives and subject to increase from time to time by the Investment Holdings Board (or its compensation committee, the "Investment Holdings Compensation Committee"). The Executive's base salary may only be decreased with the approval of the CEO of the Company and then only in an across-the-board salary reduction in which all executives and other employees are subject to an equal percentage reduction. The Executive's base salary, as from time to time increased or decreased in accordance with Agreement, is hereafter referred to as the "Base Salary."

b. Bonus Compensation.

i. The Executive shall be eligible to receive a full bonus, without pro-rata, for calendar year 2010, determined in accordance with the Company's employee cash bonus plan as in effect immediately prior to the Closing, as set forth in Schedule 1(C) hereto.

ii. Each calendar year thereafter during the term hereof, the Executive shall be eligible to participate in the cash bonus plan or other incentive compensation plan in effect for employees of the Company generally, under which, consistent with the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the plan elements described in clauses (A) and (C) below shall be not be decreased from those applicable to the Executive under the bonus plan in effect immediately prior to the Closing, and the plan element described in clause (B) below shall be substantially consistent with past practice: (A) the target bonus, (B) the level of performance required to reach target and (C) the opportunity to earn bonus compensation in excess of target,

with respect to clauses (A) and (C) as set forth on Schedule 1(D) hereto. Neither the Executive's target bonus nor the opportunity to earn bonus compensation in excess of target may be subject to an adverse change and the level of performance required to reach target may not be materially adversely changed except with the approval of the CEO of the Company and then only in an across-the-board change which affects equally all employees participating in the bonus plan. Such cash bonus shall be in addition to the Base Salary. The Executive's target bonus under the executive cash bonus plan is referred to hereafter as the "Target Bonus." In clarification of the foregoing, the actual bonus earned by the Executive for any given calendar year, may be below, at or above the Target Bonus, based on actual performance. Subject to any effective deferral election made available and elected by the Executive, each bonus earned by the Executive hereunder shall be paid no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

c. Equity Compensation. The Executive shall be eligible to participate in all equity compensation plans and programs applicable to senior executives of the Company and shall receive such grants as may be provided from time to time by Investment Holdings in the discretion of the Investment Holdings Board or the Investment Holdings Compensation Committee. Each grant will be subject to the terms and conditions of the applicable Investment Holdings' equity compensation plan and grant agreements which shall provide in relevant part that: (i) upon the occurrence of a Change in Control occurring after the effective date of this Agreement, all outstanding equity compensation awards held by the Executive will become fully vested and/or exercisable, as the case may be, as of the date of the Change in Control; (ii) upon a termination of the Executive's employment for any reason, the portion of any equity compensation award which has not vested shall terminate; (iii) in the event the Executive's employment terminates for any reason other than for Cause, death or disability, the Executive may exercise any vested portion of any stock option or stock appreciation right (collectively, "Stock Right") held by him on the date of termination provided that he does so prior to the earlier of (A) ninety (90) days following termination of employment and (B) the expiration of the scheduled term of the Stock Right; (iv) in the event the Executive's employment is terminated due to death or disability (as defined in Section 5(b)), then the Executive, or, as applicable in the event of death, his beneficiary or estate, may exercise any vested portion of any Stock Right held by the Executive on the date employment terminates for the shorter of (A) the period of twelve (12) months following the termination date and (B) with respect to each Stock Right individually, the expiration of the scheduled term of such Stock Right; and (v) upon a termination of the Executive's employment by the Company for Cause, all equity compensation awards shall be forfeited immediately.

d. Vacations. During the term hereof, the Executive shall be eligible for the number of weeks of vacation per year set forth on Schedule 1(E) to this Agreement, subject to the vacation policies of the Company generally applicable to its executives, as in effect from time to time, provided that the Executive shall not be barred from taking up to the maximum number of weeks of vacation in any given year solely by reason of the Executive's failure to work for a specified period of time during such year prior to the time of such vacation.

e. Other Benefits. During the term hereof, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for executives and/or employees of the Company generally, provided that the Executive shall receive benefits pursuant to plans, programs and policies (other than any equity-based compensation plan or program) that are comparable, and no less favorable in the aggregate, to those benefits offered to him immediately prior to the Closing.

f. Business Expenses. During the term hereof, the Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as the Company may require and otherwise consistent with the Company's policies generally applicable to its executives, as in effect from time to time.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term hereof under the circumstances specified below. Subject to the execution, delivery and nonrevocation by the Executive, the Executive's beneficiary, or the representative of the Executive's estate, as applicable, of a release of claims agreement (the "Release") in the form provided by the Company within the time period specified by the Company, which shall not exceed 60 days following the date of termination, and provided that the Executive has complied in all material respects with the terms and conditions of the Release, the Company shall provide the Executive with the payments and benefits set forth below:

a. Termination due to Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate, "Final Compensation" which shall include all of the following: (i) the Base Salary earned but not paid through the date of termination, (ii) pay for any vacation time earned but not used through the date of termination, (iii) payment of any annual bonus earned but not paid for the year preceding that in which the date of termination occurs, (iv) reimbursement for any business expenses incurred by the Executive and reimbursable pursuant to Section 4(f) hereof but un-reimbursed on the date of termination (clauses (i), (ii), (iii) and (iv), collectively, the "Termination Entitlements"), (v) a bonus for the year in which the date of termination occurs determined by multiplying the Target Bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365 ("Pro-Rated Portion of Target Bonus"), (vi) a single lump-sum payment equal to the premium (including the additional amount (if any) charged for administrative costs as permitted by the Federal law known as "COBRA") of continued health and dental plan participation under COBRA for the Executive (in the event of a termination other than as a result of death) and for the Executive's qualified beneficiaries (as that term is defined under COBRA) for the one (1) year period immediately following the date of termination (the "Premium Payment") and, the Company shall have no further obligation to the Executive hereunder, other than (A) obligations due to the Executive as of the date of termination but not yet satisfied, such as, by way of example but not limitation, an uncorrected



error in Base Salary or an outstanding claim under one of the welfare plans or an uncorrected error in the Executive's retirement plan account, and (B) obligations which, whether or not due to the Executive as of the date of termination, survive termination, such as, by way of example but not limitation, rights to exercise vested stock options (all of the foregoing, under clauses (A) and (B) hereof, the "Surviving Company Obligations").

b. Termination due to Disability. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for any period of six (6) consecutive months. During any period in which the Executive is disabled but prior to the Executive's date of termination, the Executive shall continue to receive all compensation and benefits under Section 4 hereof while his employment continues. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. In the event of termination by the Company due to the Executive's disability, the Company shall provide the Executive with the Final Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

c. Retirement. The Executive may elect to retire voluntarily on thirty (30) days' notice to the Company, provided that the Executive is then at least 65 years of age. In such event, the Company shall pay to the Executive the Final Compensation (other than the benefits under clause (v) of the definition thereof (the "Accrued Compensation")) and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

d. Termination by the Company for Cause. The Company may terminate the Executive's employment at any time for "Cause," which shall mean only (i) the intentional failure to perform (excluding by reason of disability) or gross negligence or willful misconduct in the performance of regular duties or other breach of fiduciary duty or material breach of this Agreement which remains uncured after thirty (30) days' notice specifying in reasonable detail

the nature of the failure, negligence, misconduct or breach and what is required of the Executive to cure, (ii) conviction or plea of *nolo contendere* to a felony or (iii) fraud or embezzlement or other dishonesty which has a material adverse effect on the Company. Before terminating the Executive for Cause, (A) at least two-thirds (2/3) of the members of the Investment Holdings Board (excluding the Executive, if a Board member) must conclude in good faith that, in their view, one of the events described in subsection (i), (ii) or (iii) above has occurred and (B) such Board determination must be made at a duly convened meeting of the Investment Holdings Board (X) of which the Executive received written notice at least ten (10) days in advance, which notice shall have set forth in reasonable detail the facts and circumstances claimed to provide a basis for the Company's belief that one of the events described in subsection (i), (ii) or (iii) above occurred and, in the case of an event under subsection (i), remains uncured at the expiration of the notice period, and (Y) at which the Executive had a reasonable opportunity to make a statement and answer the allegations against the Executive. In the event of the termination of the Executive's employment by the Company for Cause, the Company shall pay to the Executive the Termination Entitlements and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. The parties acknowledge and agree that this definition of "Cause" shall be applicable and controlling with respect to the grant agreements executed by the Executive under any equity compensation plan or arrangement sponsored by Investment Holdings or the Company.

e. Termination by the Company other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon ten (10) days notice to the Executive. Termination by the Company on or following expiration of the term hereof (other than a termination due to the Executive's death or disability or under circumstances that would constitute "Cause" if this Agreement were still in effect) will be treated as a termination other than for Cause under this Section 5(e). In the event of termination under this Section 5(e), the Executive shall be entitled to receive the Accrued Compensation (other than the Premium Payment) and the following additional payments as severance: (i) a bonus for the year in which the date of termination occurs based on actual performance determined by multiplying the bonus that would have been earned by the Executive had the Executive remained in service until the date required to earn a full bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365, provided that if the bonus amount exceeds the Pro-Rated Portion of Target Bonus, such bonus amount shall be limited to the Pro-Rated Portion of Target Bonus, and (ii) subject to Executive's continued compliance with his obligations under Sections 7, 8 and 9 hereof, (x) an amount equal to the applicable Severance Multiplier multiplied by the sum of the Executive's Base Salary and Target Bonus for the year in which the date of termination occurs (or if no such Target Bonus has been established for the Executive for the year in which the date of termination occurs, the Target Bonus for the year immediately preceding the year in which the date of termination occurs) and (y) for two years following the date of termination, continued participation of the Executive and his qualified beneficiaries, as applicable, under the Company's group life, health, dental and vision plans in which the Executive was participating immediately prior to the date of termination, subject to any premium contributions required of the Executive at the rate in effect on the date of termination of his employment, provided that, in the event that such health

coverage continuation would be discriminatory for federal income tax purposes, the Executive shall be permitted to purchase, through the Company at COBRA rates if possible, and be reimbursed by the Company on a quarterly basis in arrears for, equivalent health benefit coverage for the Executive and his qualified beneficiaries. Subject to the foregoing, the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. For purpose of this Agreement, the “Severance Multiplier” shall be (A) two (2) in the event of termination under Section 5(e) or Section 5(f) (other than due to Good Reason resulting solely from notice of non-renewal of the term of this Agreement), in each case, prior to the expiration of the Initial Term; (B) one and one half (1.5) in the event of a termination under Section 5(e) or Section 5(f), in each case, on or following the expiration of the Initial Term; (C) one and one half (1.5) in the event of a termination at any time during the term of this Agreement for Good Reason resulting solely from the provision by the Company of notice of non-renewal of the term of this Agreement; and (D) one (1) in the event of a termination of the Executive under Section 5(g) and pursuant to which the Company makes the election under Section 9(b) hereof. Except as otherwise provided in the Agreement, any payments due under Section 5(e), Section 5(f), Section 5(g) or Section 9(b), as applicable, shall be payable in equal monthly installments over the number of years and/or portions thereof equal to the applicable Severance Multiplier; and, subject to Section 5(h), shall begin at the Company’s next regular payday following the 60th day after the effective date of termination provided that the Executive has executed and not revoked the Release and is compliant in all material respects with the Release terms and conditions. Notwithstanding the foregoing, the pro-rated annual bonus earned by the Executive for the year in which the date of termination occurs as calculated in accordance with this Section 5(e) shall be paid in a lump sum no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned. For the avoidance of doubt, if the Executive does not execute a Release or if the Executive revokes an executed Release within the time period permitted by law, the Executive shall not be entitled to the payments and benefits, other than the Termination Entitlements, set forth in this Section 5.

f. Termination by the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason and, in that event, subject to Executive’s continued compliance with his obligations under Sections 7, 8 and 9 hereof, shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. “Good Reason” shall mean only (A) the occurrence, without the Executive’s express written consent (which may be withheld for any or no reason) of any of the events or conditions described in the following subsections (i) through (viii), provided that, except with respect to the event described in subsection (viii), the Executive gives written notice to the Company of the occurrence of Good Reason within ninety (90) days following the date on which the Executive first knew or reasonably should have known of such occurrence and the Company shall not have fully corrected the situation within thirty (30) days following such notice or (B) termination (for any or no reason) by written notice from the Executive given within the thirty day period immediately following the twelve month anniversary of a Change of Control occurring after the effective date of this Agreement. The following occurrences shall constitute Good Reason for purposes of clause (A) of this Section 5(f): (i) a reduction in the Executive’s Base Salary (other

than as expressly permitted under Section 4(a) hereof); (ii) an adverse change in the Executive's bonus opportunity through reduction of the Target Bonus or the maximum available bonus or a material adverse change in the goals or level of performance required to achieve the Target Bonus (other than as expressly permitted under Section 4(b) hereof); (iii) a failure by the Company to pay or provide to the Executive any compensation or benefits to which the Executive is entitled hereunder; (iv) (A) a material adverse change in the Executive's status, positions, titles, offices, duties and responsibilities, authorities or reporting relationship from those in effect immediately before such change; (B) the assignment to the Executive of any duties or responsibilities that are substantially inconsistent with the Executive's status, positions, titles, offices or responsibilities as in effect immediately before such assignment; or (C) any removal of the Executive from or failure to reappoint or reelect the Executive to any of such positions, titles or offices; provided that termination of the Executive's employment by the Company for Cause, by the Executive other than for Good Reason pursuant to Section 5(g) hereof, or a termination as a result of the Executive's death or disability shall not be deemed to constitute or result in Good Reason under this subsection (iv); (v) the Company's changing the location of the Boston, Massachusetts headquarter offices to a location more than twenty-five (25) miles from the location of such offices, or the Company's requiring the Executive to be based at a location other than the Company's Boston headquarter offices; provided that in all such cases the Company may require the Executive to travel on Company business including being temporarily based at other Company locations as long as such travel is reasonable and is not materially greater or different than the Executive's travel requirements before the Closing; (vi) any material breach by Investment Holdings or the Company of this Agreement, any agreement by Investment Holdings or the Company to indemnify the Executive or any other material written agreement between Investment Holdings or the Company and the Executive; (vii) the failure by the Company to obtain, before completion of a Change in Control, an agreement in writing from any successor or assign to assume and fully perform under this Agreement; or (viii) the provision of notice by the Company of non-renewal of this Agreement.

g. By the Executive Other than for Good Reason. The Executive may terminate his employment hereunder at any time upon thirty (30) days' notice to the Company. In the event of termination by the Executive pursuant to this Section 5(g), the Investment Holdings Board may elect to waive the period of notice, or any portion thereof, and, if the Investment Holdings Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). The Company shall also provide the Employee the Accrued Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. At the election of the Company, in accordance with and subject to the provisions of Section 9(b) hereof and subject to the Executive's continued compliance with his obligations under Sections 7, 8 and 9 hereof, the Executive shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder, but with a Severance Multiplier of one (1).

h. Timing of Payments. In the event that at the time the Executive employment terminates the Company's shares are publicly traded (as defined in Section 409A of the Code) or the limitation on payments or provision of benefits imposed by Section

409A(a)(2)(B) would otherwise be applicable, any amounts payable or benefits provided under Section 5 that would have been payable during the six (6) months following the date of termination of employment with the Company and would otherwise be considered deferred compensation subject to the additional twenty percent (20%) tax imposed by Section 409A if paid within such six (6) month period shall be paid, in a lump sum on the business day after the date that is the earlier of (x) six (6) months following the date of termination, or (y) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A. In addition, the administration of the Release requirements described under this Section 5 shall be implemented such that where the period for execution and non-revocation of a release spans more than one calendar year, any payment contingent on the execution of the Release shall not be made until the second calendar year, or later, as required by the applicable terms of this Agreement and Section 409A. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company shall have no obligation to grant the Executive a "gross-up" or other "make-whole" compensation for any tax imposed under Section 409A.

i. No Duty to Mitigate. The Executive shall not be required to mitigate the amount of any cash payment or the value of any benefit provided for in this Agreement by seeking other employment, by seeking benefits from another employer or other source, or by pursuing any other type of mitigation. No payment or benefit provided for in this Agreement shall be offset or reduced by the amount of any cash compensation or the value of any benefit provided to the Executive in any subsequent employment or from any other source. Notwithstanding the foregoing, if the Executive begins to participate in the group health plan of another employer which provides benefits substantially similar to those provided by the Company pursuant to this Section 5, then the Executive shall promptly notify the Company and the Company may discontinue the health plan participation being provided the Executive pursuant to this Section 5.

6. Code Section 4999 Excise Tax.

a. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or benefit (including any accelerated vesting of options or other equity awards) made or provided, or to be made or provided, by the Company (or any successor thereto or affiliate thereof) to or for the benefit of Executive, whether pursuant to the terms of this Agreement, any other agreement, plan, program or arrangement of or with Investment Holdings or the Company (or any successor thereto or affiliate thereof) or otherwise (a "Payment"), will be subject to the excise tax imposed by Section 4999 of the Code or any comparable tax imposed by any replacement or successor provision of United States tax law,

then the Company will apply a limitation on the Payment amount as set forth in clause (i) below (a "Parachute Cap"), unless the provisions of clause (ii) below apply.

i. If clause (ii) does not apply, the aggregate present value of the Payments under Sections 5(e), (f) or (g) of this Agreement ("Agreement Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any excise tax under Section 4999 of the Code. For purposes of this clause (i), "present value" shall be determined in accordance with Section 280G(d)(4) of the Code. In the event that it is determined that the amount of the Agreement Payments will be reduced in accordance with this clause (i), the Agreement Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Executive. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis.

ii. It is the intention of the parties that the Parachute Cap apply only if application of the Parachute Cap is beneficial to the Executive. Therefore, if the net amount that would be retained by the Executive under this Agreement without the Parachute Cap, after payment of any excise tax under Section 4999 of the Code, exceeds the net amount that would be retained by the Executive with the Parachute Cap, then the Company shall not apply the Parachute Cap to the Executive's payments.

b. All determinations to be made under this Section 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Executive within ten days of the termination date. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive.

c. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6 shall be borne solely by the Company.

#### 7. Confidential Information.

a. The Executive acknowledges that the Company continually develops Confidential Information (as defined in Section 13); that the Executive may develop Confidential Information for the Company; and that the Executive may learn of Confidential Information during the course of employment. The Executive shall not disclose to any Person or use, other than as required by applicable law or for the performance of his duties and responsibilities to the Company, any Confidential Information obtained by the Executive incident to his employment with the Company. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination.

b. All documents, records, tapes and other media of every kind and description containing Confidential Information, and all copies, (the “Documents”), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company. The Executive shall return to the Company no later than the time his employment terminates all Documents then in the Executive’s possession or control.

8. Assignment of Rights to Intellectual Property. The Executive shall promptly and fully disclose all Intellectual Property (as defined in Section 13) to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive’s full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. All copyrightable works that the Executive creates in the performance of his duties hereunder shall be considered “work made for hire.”

9. Restricted Activities.

a. While the Executive is employed by the Company and, except as otherwise provided in Section 9(b) and Section 9(c) below, for the period of two (2) years following the termination of the Executive’s employment for any reason (including retirement) or, in the event of a termination for which the Executive is entitled to severance pay calculated with a Severance Multiplier of 1.5, for a period of eighteen (18) months following such termination, (as applicable, the “Non-Competition Period”), subject to the Company’s compliance with the post-employment terms of this Agreement, the Executive will not engage or participate in, directly or indirectly, alone or as principal, agent, employee, employer, consultant, investor or partner of, or assist in the management of, or provide advisory or other services to, or own any stock or any other ownership interest in, or make any financial investment in, any business or entity which is Competitive with the Company (as defined below); *provided, however*, that it shall not be a violation of the foregoing (i) for the Executive to own not more than two percent (2%) of the outstanding securities of any class of securities listed on a national exchange or inter-dealer quotation system or (ii) following termination of the Executive’s employment with the Company, for the Executive to provide services to any business or entity that has a line of business, division, subsidiary or other affiliate that is Competitive with the Company if the Executive is not employed in such line of business or division or by such subsidiary or other affiliate and is not involved, directly or indirectly, in the management, supervision or operations of such line of business, division, subsidiary or affiliate that is Competitive with the Company. For purposes of this Agreement, a business or entity shall be considered “Competitive with the Company” if such business or entity competes in any respect with a business in which Investment Holdings and its subsidiaries were engaged (including, specifically, services related to financial advisors), or any material products and/or services that Investment Holdings or its subsidiaries were actively developing or designing as of the date the Executive’s employment with the Company terminated, provided that, prior to such termination, the Executive knew of

such other business or such material product or such service under active development or design. In addition, during the Non-Competition Period, the Executive will not (other than when acting on behalf of the Company during the Executive's employment) (i) solicit, or attempt to solicit, any existing or prospective customers, targets, suppliers, financial advisors, officers or employees of Investment Holdings or any of its subsidiaries to terminate their relationship with Investment Holdings or any of its subsidiaries or (ii) divert, or attempt to divert, from Investment Holdings or any of its subsidiaries any of its customers, prospective customers, targets, suppliers, financial advisors, officers or employees or (iii) hire or engage or otherwise contract with, or attempt to hire or engage or otherwise contract with, any officers, employees or financial advisors of Investment Holdings or any of its subsidiaries, whether to be an employee, officer, agent, consultant or independent contractor; *provided, however*, that nothing in this Section 9(a) shall be deemed to prohibit the Executive from soliciting a customer, prospective customer, target or supplier of Investment Holdings or any of its subsidiaries during the Non-Competition Period if such action relates solely to a business which is not Competitive with the Company. A customer, prospective customer, target, supplier, financial advisor, officer or employee of Investment Holdings or any of its subsidiaries is any one who was such within the preceding twelve months, excluding, however, any prospective customer or target which was solicited solely by mass mailing or general advertisement during that period and any officer, employee or financial advisor whose relationship with Investment Holdings or the Company was terminated by Investment Holdings or the Company or any of their subsidiaries other than for circumstances that would constitute "cause" (within the meaning of any such definition applicable to such officer, employee or financial advisor, or, if no such definition is applicable, "cause" as defined in the existing equity compensation plan maintained with respect to employees of the Company) and provided further, with respect to Investment Holdings' subsidiaries, that the Executive during his employment with the Company was introduced to, or otherwise knew of or should have known of the relationship of, such customer, prospective customer, target, supplier, financial advisor or employee to the subsidiary.

b. Notwithstanding anything herein to the contrary and to the extent that the Investment Holdings Compensation Committee, in its sole discretion, does not waive the obligation under this Section 9(b), in the event that the Executive terminates his employment hereunder without Good Reason, the Executive shall, at the Company's election, which election shall be provided to the Executive prior to the date of termination, (1) receive the payments and benefits specified in Section 5(e) with a Severance Multiplier of one (1) and be subject to a Non-Competition Period which shall continue for two (2) years following the date of termination of the Executive's employment, or (2) receive no payments and benefits specified in Section 5(e) and be subject to a Non-Competition Period which shall continue for one (1) year following the date of termination of the Executive's employment.

c. The Executive may seek a waiver from the Company of his obligations pursuant to this Section 9, which waiver shall not be unreasonably withheld or delayed. As of the date of the grant of such waiver by the Company, all payments and benefits under the applicable provision of Section 5 shall cease other than the payment of Final Compensation, excluding the payments and benefits under clause (v) of the definition thereof which shall cease



or be reimbursed by the Executive on a pro-rata basis for the waived time period of the Non-Competition Period, as applicable) or Accrued Compensation, as applicable).

10. Reasonableness; Enforcement. The Company and the Executive acknowledge that the time, scope, geographic area and other provisions of Sections 7, 8 and 9 (the “Covenants”) have been specifically negotiated by sophisticated parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Company, (iii) impose no undue hardship, (iv) are not injurious to the public, and (v) are essential to protect the business and goodwill of the Company and its affiliates and are a material term of this Agreement which has induced the Company to agree to provide for the payments and benefits described in this Agreement. The Executive further acknowledges and agrees that the Executive’s breach of the Covenants will cause the Company and Investment Holdings irreparable harm, which cannot be adequately compensated by money damages. The Executive and the Company agree that, in the event of an actual or threatened breach of Section 9, the Company shall be entitled to injunctive relief for any actual or threatened violation of any of the Covenants in addition to any other remedies it may have at law or equity, including money damages.

11. Survival. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 7, 8, 9 and 10 hereof and the obligations of the Company pursuant to Section 5 hereof.

12. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party’s consent.

13. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

a. “Change in Control” means the consummation, after the date of Closing, of (i) any transaction or series of related transactions, whether or not Investment Holdings is a party thereto, after giving effect to which in excess of fifty percent (50%) of Investment Holdings’ voting power is owned directly, or indirectly through one or more entities, by any person and its “affiliates” or “associates” (as such terms are defined in the Exchange Act Rules) or any “group” (as defined in the Exchange Act Rules) other than, in each case, Investment Holdings or an affiliate of Investment Holdings immediately following the Closing, or (ii) a sale or other disposition of all or substantially all of the consolidated assets of Investment Holdings (each of the foregoing, a “Business Combination”), provided that, notwithstanding the foregoing,

a Change in Control shall not be deemed to occur as a result of a Business Combination following which the individuals or entities who were beneficial owners of the outstanding securities entitled to vote generally in the election of directors of Investment Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction.

b. “Confidential Information” means any confidential proprietary information relating to the business of Investment Holdings, the Company or their affiliates or their respective customers or clients which has an economic value to Investment Holdings, the Company or their affiliates. Confidential Information does not include any information that enters the public domain other than through a breach by the Executive of his duties to Investment Holdings or the Company hereunder or which is obtained by the Executive from a third party which has no obligation of confidentiality to Investment Holdings or the Company.

c. “Intellectual Property” means any invention, formula, process, discovery, development, design, innovation or improvement (whether or not patentable or registrable under copyright statutes) made, conceived, or first actually reduced to practice by the Executive solely or jointly with others, during his employment by the Company; provided, however, that, as used in this Agreement, the term “Intellectual Property” shall not apply to any invention that the Executive develops on his own time, without using the equipment, supplies, facilities or trade secret information of Investment Holdings or the Company, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of Investment Holdings or the Company, (b) to the actual or demonstrably anticipated research or development of Investment Holdings or the Company or (c) results from any work performed by the Executive for Investment Holdings or the Company.

d. “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its subsidiaries.

14. Withholding. All payments or other benefits, to the extent required by law, made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

15. Legal Fees. The Company shall at its election either pay directly the joint legal expenses incurred by the Executive and the other executives of the Company with whom the Company is entering into employment agreements effective as of the Closing in the negotiation and preparation of their employment agreements or reimburse the Executive for his portion of such joint legal expenses. In addition, all reasonable costs and expenses that are reasonably documented (including court and arbitration costs and reasonable legal fees and expenses that reflect common practice with respect to the matters involved) incurred by the Executive as a result of any claim, action or proceeding arising out of this Agreement or the contesting, disputing or enforcing of any provision, right or obligation under this Agreement shall be paid, or reimbursed to the Executive, if, in the final resolution of the dispute, the Executive either recovers material monetary damages (in cash or in kind, such as benefits) or is the prevailing party on a material non-monetary claim (such as a dispute regarding a restrictive covenant).

16. Dispute Resolution.

a. Except as provided in Section 10, any dispute, controversy or claim between the parties arising out of this Agreement or the Executive's employment with the Company or termination of employment shall be settled by arbitration conducted in the city in which the Executive is located administered by the American Arbitration Association under its Employment Dispute Resolution Rules then in effect (except as modified by b. below).

b. In the event that a party requests arbitration (the "Requesting Party"), it shall serve upon the other party (the "Non-Requesting Party"), within one hundred and eighty (180) days of the date the Requesting Party knew, or reasonably should have known, of the facts on which the controversy, dispute or claim is based, a written demand for arbitration stating the substance of the controversy, dispute or claim, the contention of the party requesting arbitration and the name and address of the arbitrator appointed by it. The Non-Requesting Party, within sixty (60) days of such demand, shall accept the arbitrator or appoint a second arbitrator and notify the other party of the name and address of this second arbitrator so selected, in which case the two arbitrators shall appoint a third who shall be the sole arbitrator to hear the case. In the event that the two arbitrators fail in any instance to appoint a third arbitrator within thirty (30) days of the appointment of the second arbitrator, either arbitrator or any party to the arbitration may apply to the American Arbitration Association for appointment of the third arbitrator in accordance with the Rules, which arbitrator shall be the sole arbitrator to hear the case. Should the Non-Requesting Party (upon whom a demand for arbitration has been served) fail or refuse to accept the arbitrator appointed by the other party or to appoint an arbitrator within sixty (60) days, the single arbitrator shall have the right to decide alone, and such arbitrator's decision or award shall be final and binding upon the parties.

c. The decision of the arbitrator shall be in writing; shall set forth the basis for the decision; and shall be rendered within thirty (30) days following the hearing. The decision of the arbitrator shall be final and binding upon the parties and may be enforced and executed upon in any court having jurisdiction over the party against whom enforcement of such award is sought.

17. No Withholding of Undisputed Payments. During the pendency of any dispute or controversy, the Company shall not withhold any payments or benefits due to the Executive, whether under this Agreement or otherwise, except for the specific portion of any payment or benefit that is the subject of a bona fide dispute between the parties.

18. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

19. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

20. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

21. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or the next business day following consignment for overnight delivery to a reputable national overnight courier service or five business days following deposit in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chairman of the Investment Holdings Board, or to such other address as a party may specify by notice to the other actually received. Copies of any notices, requests, demands and other communication to the Company by the Executive shall be sent by the to the investors at the following address: c/o Texas Pacific Group, 301 Commerce Street, Suite 3300, Fort Worth, TX 76102, Attn: Richard Schifter (Fax: 415-743-1501) and c/o Hellman & Friedman LLC, One Maritime Plaza, 12<sup>th</sup> Floor, San Francisco, CA 94111, Attn: Allen Thorpe (Fax: 415-835-5408).

22. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment including, without limitation, the applicable Executive Summary of Proposed Terms.

23. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an authorized representative of the Company subject to prior approval by the Investment Holdings Board.

24. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

25. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

26. Governing Law. This is a Massachusetts contract and shall be construed and enforced under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE

By: /s/ William E. Dwyer III  
Name: William E. Dwyer III

THE COMPANY

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

HOLDINGS

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

INVESTMENT HOLDINGS (with respect to  
Section 4(c) only)

By: /s/ Mark S. Casady  
Name: Mark S. Casady  
Title: Chief Executive Officer

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**Schedule 1**

**(A) Boards and Committees**

Financial Services Institute  
Securities Industry and Financial Markets Association (and the Private Client Services  
Executive Committee)

**(B) Base Salary**

\$600,000

**(C) 2010 Target Bonus**

\$343,750

**(D) Target Bonus**

\$343,750

Opportunity to Earn Bonus Compensation in Excess of Target Bonus: The amount of the Executive's bonus opportunity above Target Bonus (the "Outperformance Bonus"), and the performance necessary to earn the Outperformance Bonus, shall be determined by the Investment Holdings Compensation Committee on an annual basis after consultation with, and with good faith consideration of the views of, the CEO of the Company

**(E) Annual Vacation**

4 weeks.

## AGREEMENT

THIS EXECUTIVE EMPLOYMENT AGREEMENT (this "Agreement") is entered into this 23rd day of July, 2010, by and between Robert J. Moore (the "Executive"), LPL Financial Corporation (the "Company"), LPL Holdings, Inc. ("Holdings") and LPL Investment Holdings Inc. ("Investment Holdings") (with respect to Section 4(c) only), to be effective upon the Closing (as defined below).

WHEREAS, Executive is currently employed by the Company; and

WHEREAS, the Company and the Executive desire to enter into this Agreement to set forth the terms of the Executive's continued employment with the Company, effective as of the closing of the 2010 initial public offering of common stock by Investment Holdings (the "Closing").

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby agrees to continue to employ the Executive, and the Executive hereby accepts the terms of continued employment with the Company.

2. Term. Subject to earlier termination as hereafter provided, the Executive's employment hereunder shall have an original term of three (3) years commencing on the date of the Closing (the "Initial Term") and shall automatically be renewed thereafter for successive terms of one year each, unless the Company provides notice to the Executive at least ninety (90) days prior to the expiration of the Initial Term or any renewal term that the Agreement is not to be renewed, in which event this Agreement and the Executive's employment hereunder shall terminate at the expiration of the then-current term. The term of this Agreement, as from time to time renewed, is hereafter referred to as "the term of this Agreement" or "the term hereof." In the event that the Closing does not occur, this Agreement shall be void *ab initio* and of no force or effect.

3. Capacity and Performance.

a. During the term hereof, the Executive shall serve the Company as its Chief Financial Officer, reporting to the Chief Executive Officer of the Company (the "CEO").

b. During the term hereof, the Executive shall be employed by the Company on a full-time basis and shall have such duties, authority and responsibilities as are commensurate with his position and such other duties, consistent with his position, as may be designated from time to time by the Board of Directors of Investment Holdings (the "Investment Holdings Board").

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c. During the term hereof, the Executive shall devote his full business time and his best efforts to the discharge of his duties and responsibilities hereunder; provided, however, that, subject to Section 10 hereof, the foregoing shall not be construed to prevent the Executive from attending to personal investments and community and charitable service, provided that such activities do not unreasonably interfere with the performance of Executive's duties to the Company. In addition, the Executive may serve on boards of directors and similar governing bodies, and committees thereof, subject to the approval of the Investment Holdings Board, which approval shall not be unreasonably withheld, and subject to Section 10 hereof. Notwithstanding the foregoing, the Executive may continue to serve on those boards and committees on which the Executive was serving at the time of the Closing, which boards and committees are listed on Schedule 1(A) of this Agreement.

4. Compensation and Benefits. As compensation for all services performed by the Executive during the term hereof:

a. Base Salary. During the term hereof, the Company shall pay the Executive a base salary at the rate per annum as set forth on Schedule 1(B) of this Agreement, payable in accordance with the regular payroll practices of the Company for its executives and subject to increase from time to time by the Investment Holdings Board (or its compensation committee, the "Investment Holdings Compensation Committee"). The Executive's base salary may only be decreased with the approval of the CEO of the Company and then only in an across-the-board salary reduction in which all executives and other employees are subject to an equal percentage reduction. The Executive's base salary, as from time to time increased or decreased in accordance with Agreement, is hereafter referred to as the "Base Salary."

b. Bonus Compensation.

i. The Executive shall be eligible to receive a full bonus, without pro-rata, for calendar year 2010, determined in accordance with the Company's employee cash bonus plan as in effect immediately prior to the Closing, as set forth in Schedule 1(C) hereto.

ii. Each calendar year thereafter during the term hereof, the Executive shall be eligible to participate in the cash bonus plan or other incentive compensation plan in effect for employees of the Company generally, under which, consistent with the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the plan elements described in clauses (A) and (C) below shall be not be decreased from those applicable to the Executive under the bonus plan in effect immediately prior to the Closing, and the plan element described in clause (B) below shall be substantially consistent with past practice: (A) the target bonus, (B) the level of performance required to reach target and (C) the opportunity to earn bonus compensation in excess of target, with respect to clauses (A) and (C) as set forth on Schedule 1(D) hereto. Neither the Executive's target bonus nor the opportunity to earn bonus compensation in excess of target may be subject to an adverse change and the level of performance required to reach target may not be materially adversely changed except with the approval of the CEO of the Company and then only in an across-the-board change which affects equally all employees participating in the bonus plan. Such cash bonus shall be in addition to the Base Salary. The Executive's target bonus under the

executive cash bonus plan is referred to hereafter as the “Target Bonus.” In clarification of the foregoing, the actual bonus earned by the Executive for any given calendar year, may be below, at or above the Target Bonus, based on actual performance. Subject to any effective deferral election made available and elected by the Executive, each bonus earned by the Executive hereunder shall be paid no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

c. Equity Compensation. The Executive shall be eligible to participate in all equity compensation plans and programs applicable to senior executives of the Company and shall receive such grants as may be provided from time to time by Investment Holdings in the discretion of the Investment Holdings Board or the Investment Holdings Compensation Committee. Each grant will be subject to the terms and conditions of the applicable Investment Holdings’ equity compensation plan and grant agreements which shall provide in relevant part that: (i) upon the occurrence of a Change in Control occurring after the effective date of this Agreement, all outstanding equity compensation awards held by the Executive will become fully vested and/or exercisable, as the case may be, as of the date of the Change in Control; (ii) upon a termination of the Executive’s employment for any reason, the portion of any equity compensation award which has not vested shall terminate; (iii) in the event the Executive’s employment terminates for any reason other than for Cause, death or disability, the Executive may exercise any vested portion of any stock option or stock appreciation right (collectively, “Stock Right”) held by him on the date of termination provided that he does so prior to the earlier of (A) ninety (90) days following termination of employment and (B) the expiration of the scheduled term of the Stock Right; (iv) in the event the Executive’s employment is terminated due to death or disability (as defined in Section 5(b)), then the Executive, or, as applicable in the event of death, his beneficiary or estate, may exercise any vested portion of any Stock Right held by the Executive on the date employment terminates for the shorter of (A) the period of twelve (12) months following the termination date and (B) with respect to each Stock Right individually, the expiration of the scheduled term of such Stock Right; and (v) upon a termination of the Executive’s employment by the Company for Cause, all equity compensation awards shall be forfeited immediately.

d. Vacations. During the term hereof, the Executive shall be eligible for the number of weeks of vacation per year set forth on Schedule 1(E) to this Agreement, subject to the vacation policies of the Company generally applicable to its executives, as in effect from time to time, provided that the Executive shall not be barred from taking up to the maximum number of weeks of vacation in any given year solely by reason of the Executive’s failure to work for a specified period of time during such year prior to the time of such vacation.

e. Other Benefits. During the term hereof, the Executive shall be entitled to participate in any and all employee benefit plans from time to time in effect for executives and/or employees of the Company generally, provided that the Executive shall receive benefits pursuant to plans, programs and policies (other than any equity-based compensation plan or program) that are comparable, and no less favorable in the aggregate, to those benefits offered to him immediately prior to the Closing.

f. Business Expenses. During the term hereof, the Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to such reasonable substantiation and documentation as the Company may require and otherwise consistent with the Company's policies generally applicable to its executives, as in effect from time to time.

5. Termination of Employment and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall terminate prior to the expiration of the term hereof under the circumstances specified below. Subject to the execution, delivery and nonrevocation by the Executive, the Executive's beneficiary, or the representative of the Executive's estate, as applicable, of a release of claims agreement (the "Release") in the form provided by the Company within the time period specified by the Company, which shall not exceed 60 days following the date of termination, and provided that the Executive has complied in all material respects with the terms and conditions of the Release, the Company shall provide the Executive with the payments and benefits set forth below:

a. Termination due to Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his estate, "Final Compensation" which shall include all of the following: (i) the Base Salary earned but not paid through the date of termination, (ii) pay for any vacation time earned but not used through the date of termination, (iii) payment of any annual bonus earned but not paid for the year preceding that in which the date of termination occurs, (iv) reimbursement for any business expenses incurred by the Executive and reimbursable pursuant to Section 4(f) hereof but un-reimbursed on the date of termination (clauses (i), (ii), (iii) and (iv), collectively, the "Termination Entitlements"), (v) a bonus for the year in which the date of termination occurs determined by multiplying the Target Bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365 ("Pro-Rated Portion of Target Bonus"), (vi) a single lump-sum payment equal to the premium (including the additional amount (if any) charged for administrative costs as permitted by the Federal law known as "COBRA") of continued health and dental plan participation under COBRA for the Executive (in the event of a termination other than as a result of death) and for the Executive's qualified beneficiaries (as that term is defined under COBRA) for the one (1) year period immediately following the date of termination (the "Premium Payment") and, the Company shall have no further obligation to the Executive hereunder, other than (A) obligations due to the Executive as of the date of termination but not yet satisfied, such as, by way of example but not limitation, an uncorrected error in Base Salary or an outstanding claim under one of the welfare plans or an uncorrected error in the Executive's retirement plan account, and (B) obligations which, whether or not due to the Executive as of the date of termination, survive termination, such as, by way of example but not limitation, rights to exercise vested stock options (all of the foregoing, under clauses (A) and (B) hereof, the "Surviving Company Obligations").

b. Termination due to Disability. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive

becomes disabled through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for any period of six (6) consecutive months. During any period in which the Executive is disabled but prior to the Executive's date of termination, the Executive shall continue to receive all compensation and benefits under Section 4 hereof while his employment continues. If any question shall arise as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Executive has no reasonable objection to determine whether the Executive is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. In the event of termination by the Company due to the Executive's disability, the Company shall provide the Executive with the Final Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

c. Retirement. The Executive may elect to retire voluntarily on thirty (30) days' notice to the Company, provided that the Executive is then at least 65 years of age. In such event, the Company shall pay to the Executive the Final Compensation (other than the benefits under clause (v) of the definition thereof (the "Accrued Compensation")) and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. Notwithstanding any provision herein to the contrary, if the Executive is entitled to a Premium Payment, the Premium Payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the date of termination, or (ii) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A.

d. Termination by the Company for Cause. The Company may terminate the Executive's employment at any time for "Cause," which shall mean only (i) the intentional failure to perform (excluding by reason of disability) or gross negligence or willful misconduct in the performance of regular duties or other breach of fiduciary duty or material breach of this Agreement which remains uncured after thirty (30) days' notice specifying in reasonable detail the nature of the failure, negligence, misconduct or breach and what is required of the Executive to cure, (ii) conviction or plea of *nolo contendere* to a felony or (iii) fraud or embezzlement or other dishonesty which has a material adverse effect on the Company. Before terminating the Executive for Cause, (A) at least two-thirds (2/3) of the members of the Investment Holdings Board (excluding the Executive, if a Board member) must conclude in good faith that, in their view, one of the events described in subsection (i), (ii) or (iii) above has occurred and (B) such Board determination must be made at a duly convened meeting of the Investment Holdings Board (X) of which the Executive received written notice at least ten (10) days in advance, which notice shall have set forth in reasonable detail the facts and circumstances claimed to

provide a basis for the Company's belief that one of the events described in subsection (i), (ii) or (iii) above occurred and, in the case of an event under subsection (i), remains uncured at the expiration of the notice period, and (Y) at which the Executive had a reasonable opportunity to make a statement and answer the allegations against the Executive. In the event of the termination of the Executive's employment by the Company for Cause, the Company shall pay to the Executive the Termination Entitlements and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations. The parties acknowledge and agree that this definition of "Cause" shall be applicable and controlling with respect to the grant agreements executed by the Executive under any equity compensation plan or arrangement sponsored by Investment Holdings or the Company.

e. Termination by the Company other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon ten (10) days notice to the Executive. Termination by the Company on or following expiration of the term hereof (other than a termination due to the Executive's death or disability or under circumstances that would constitute "Cause" if this Agreement were still in effect) will be treated as a termination other than for Cause under this Section 5(e). In the event of termination under this Section 5(e), the Executive shall be entitled to receive (i) the Accrued Compensation (other than the Premium Payment), (ii) a bonus for the year in which the date of termination occurs based on actual performance determined by multiplying the bonus that would have been earned by the Executive had the Executive remained in service until the date required to earn a full bonus for that year by a fraction, the numerator of which is the number of days the Executive was employed during the year in which the date of termination occurs, through the date of termination, and the denominator of which is 365, provided that if the bonus amount exceeds the Pro-Rated Portion of Target Bonus, such bonus amount shall be limited to the Pro-Rated Portion of the Target Bonus and (iii) for two years following the date of termination, continued participation of the Executive and his qualified beneficiaries, as applicable, under the Company's group life, health, dental and vision plans in which the Executive was participating immediately prior to the date of termination, subject to any premium contributions required of the Executive at the rate in effect on the date of termination of his employment, provided that, in the event that such health coverage continuation would be discriminatory for federal income tax purposes, the Executive shall be permitted to purchase, through the Company at COBRA rates if possible, and be reimbursed by the Company on a quarterly basis in arrears for, equivalent health benefit coverage for the Executive and his qualified beneficiaries. In addition, subject to Executive's continued compliance with the provisions of Sections 8 and 9 and subject to Executive's execution, delivery and non-revocation of a Release, Executive shall be entitled to receive twenty-five percent (25%) of the Covenant Payment (as defined in Section 7). For the avoidance of doubt, if the Executive does not execute a Release or if the Executive revokes an executed Release within the time period permitted by law, the Executive shall not be entitled to any payments and benefits, other than the Termination Entitlements, set forth in this Section 5. Subject to the foregoing and the provisions of Section 7 to the extent applicable, the Company shall have no further obligation to the Executive hereunder other than the Surviving Company Obligations.

f. Termination by the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason and, in that event, subject to Executive's

continued compliance with his obligations under Sections 8 and 9 hereof, shall be entitled to all payments and benefits which the Executive would have been entitled to receive under Section 5(e) hereof as if termination had occurred thereunder. "Good Reason" shall mean only (A) the occurrence, without the Executive's express written consent (which may be withheld for any or no reason) of any of the events or conditions described in the following subsections (i) through (viii), provided that, except with respect to the event described in subsection (viii), the Executive gives written notice to the Company of the occurrence of Good Reason within ninety (90) days following the date on which the Executive first knew or reasonably should have known of such occurrence and the Company shall not have fully corrected the situation within thirty (30) days following such notice or (B) termination (for any or no reason) by written notice from the Executive given within the thirty day period immediately following the twelve month anniversary of a Change of Control occurring after the effective date of this Agreement. The following occurrences shall constitute Good Reason for purposes of clause (A) of this Section 5(f): (i) a reduction in the Executive's Base Salary (other than as expressly permitted under Section 4(a) hereof); (ii) an adverse change in the Executive's bonus opportunity through reduction of the Target Bonus or the maximum available bonus or a material adverse change in the goals or level of performance required to achieve the Target Bonus (other than as expressly permitted under Section 4(b) hereof); (iii) a failure by the Company to pay or provide to the Executive any compensation or benefits to which the Executive is entitled hereunder; (iv) (A) a material adverse change in the Executive's status, positions, titles, offices, duties and responsibilities, authorities or reporting relationship from those in effect immediately before such change; (B) the assignment to the Executive of any duties or responsibilities that are substantially inconsistent with the Executive's status, positions, titles, offices or responsibilities as in effect immediately before such assignment; or (C) any removal of the Executive from or failure to reappoint or reelect the Executive to any of such positions, titles or offices; provided that termination of the Executive's employment by the Company for Cause, by the Executive other than for Good Reason pursuant to Section 5(g) hereof, or a termination as a result of the Executive's death or disability shall not be deemed to constitute or result in Good Reason under this subsection (iv); (v) the Company's changing the location of the San Diego, California headquarter offices to a location more than twenty-five (25) miles from the location of such offices, or the Company's requiring the Executive to be based at a location other than the Company's San Diego headquarter offices; provided that in all such cases the Company may require the Executive to travel on Company business including being temporarily based at other Company locations as long as such travel is reasonable and is not materially greater or different than the Executive's travel requirements before the Closing; (vi) any material breach by Investment Holdings or the Company of this Agreement, any agreement by Investment Holdings or the Company to indemnify the Executive or any other material written agreement between Investment Holdings or the Company and the Executive; (vii) the failure by the Company to obtain, before completion of a Change in Control, an agreement in writing from any successor or assign to assume and fully perform under this Agreement; or (viii) the provision of notice by the Company of non-renewal of this Agreement. Subject to the foregoing and the provisions of Section 7 to the extent applicable, the Company shall have no further obligation to the Executive hereunder other than the Surviving Company Obligations.

g. By the Executive Other than for Good Reason. The Executive may terminate his employment hereunder at any time upon thirty (30) days' notice to the Company.

In the event of termination by the Executive pursuant to this Section 5(g), the Investment Holdings Board may elect to waive the period of notice, or any portion thereof, and, if the Investment Holdings Board so elects, the Company will pay the Executive his Base Salary for the notice period (or for any remaining portion of the period). The Company shall also provide the Employee the Accrued Compensation and the Company shall have no further obligation to the Executive hereunder, other than the Surviving Company Obligations.

h. Timing of Payments.

i. Except as otherwise provided in the Agreement, any payments due under Section 5(e), Section 5(f), Section 7 and Section 10(b), as applicable, shall be payable in equal monthly installments over the number of years and/or portions thereof equal to the applicable Multiplier (as defined in Section 7) and shall begin at the Company's next regular payday following the 60th day after the effective date of termination provided that, if applicable, the Executive has executed and not revoked the Release and is compliant in all material respects with the Release terms and conditions. Notwithstanding the foregoing, the pro-rated annual bonus earned by the Executive for the year in which the date of termination occurs as calculated in accordance with Section 5(e) shall be paid in a lump sum no later than March 15 of the calendar year following the end of the calendar year for which the bonus was earned.

ii. In the event that at the time the Executive employment terminates the Company's shares are publicly traded (as defined in Section 409A of the Code) or the limitation on payments or provision of benefits imposed by Section 409A(a)(2)(B) would otherwise be applicable, any amounts payable or benefits provided under Section 5 that would have been payable during the six (6) months following the date of termination of employment with the Company and would otherwise be considered deferred compensation subject to the additional twenty percent (20%) tax imposed by Section 409A if paid within such six (6) month period shall be paid, in a lump sum on the business day after the date that is the earlier of (x) six (6) months following the date of termination, or (y) at such time as otherwise permitted by law that would not result in such additional taxation and penalties under Section 409A. In addition, the administration of the Release requirements described under this Section 5 shall be implemented such that where the period for execution and non-revocation of a release spans more than one calendar year, any payment contingent on the execution of the Release shall not be made until the second calendar year, or later, as required by the applicable terms of this Agreement and Section 409A. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses eligible for reimbursement, or in kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in kind benefits to be provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in kind benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, the Company shall have no obligation to grant the Executive a "gross-up" or other "make-whole" compensation for any tax imposed under Section 409A.

i. No Duty to Mitigate. The Executive shall not be required to mitigate the amount of any cash payment or the value of any benefit provided for in this Agreement by seeking other employment, by seeking benefits from another employer or other source, or by pursuing any other type of mitigation. No payment or benefit provided for in this Agreement shall be offset or reduced by the amount of any cash compensation or the value of any benefit provided to the Executive in any subsequent employment or from any other source. Notwithstanding the foregoing, if the Executive begins to participate in the group health plan of another employer which provides benefits substantially similar to those provided by the Company pursuant to this Section 5, then the Executive shall promptly notify the Company and the Company may discontinue the health plan participation being provided the Executive pursuant to this Section 5.

6. Code Section 4999 Excise Tax.

a. Anything in this Agreement to the contrary notwithstanding, in the event that it shall be determined that any payment or benefit (including any accelerated vesting of options or other equity awards) made or provided, or to be made or provided, by the Company (or any successor thereto or affiliate thereof) to or for the benefit of Executive, whether pursuant to the terms of this Agreement, any other agreement, plan, program or arrangement of or with Investment Holdings or the Company (or any successor thereto or affiliate thereof) or otherwise (a "Payment"), will be subject to the excise tax imposed by Section 4999 of the Code or any comparable tax imposed by any replacement or successor provision of United States tax law, then the Company will apply a limitation on the Payment amount as set forth in clause (i) below (a "Parachute Cap"), unless the provisions of clause (ii) below apply.

i. If clause (ii) does not apply, the aggregate present value of the Payments under Sections 5(e), (f) or (g) of this Agreement ("Agreement Payments") shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of Agreement Payments without causing any Payment to be subject to the limitation of deduction under Section 280G of the Code or the imposition of any excise tax under Section 4999 of the Code. For purposes of this clause (i), "present value" shall be determined in accordance with Section 280G(d)(4) of the Code. In the event that it is determined that the amount of the Agreement Payments will be reduced in accordance with this clause (i), the Agreement Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Executive. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Section 409A of the Code, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis.

ii. It is the intention of the parties that the Parachute Cap apply only if application of the Parachute Cap is beneficial to the Executive. Therefore, if the net amount that would be retained by the Executive under this Agreement without the Parachute Cap, after payment of any excise tax under Section 4999 of the Code, exceeds the net amount that would be retained by the Executive with the Parachute Cap, then the Company shall not apply the Parachute Cap to the Executive's payments.



b. All determinations to be made under this Section 6 shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the Change in Control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Executive within ten days of the termination date. Any such determination by the Accounting Firm shall be binding upon the Company and the Executive.

c. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section 6 shall be borne solely by the Company.

7. Covenant Payments. In the event of a termination of the Executive under Section 5(e) or Section 5(f), in consideration for the covenants contained in Sections 8, 9 and 10 and provided that Executive is not otherwise in breach of Sections 8, 9 and 10 hereof, the Company shall pay to Executive an amount equal to seventy-five percent (75%) of the Covenant Payment, as hereinafter defined, at the time and in the form provided in Section 5(h). For purposes of this Agreement, the "Covenant Payment" is an amount equal to the applicable Multiplier multiplied by the sum of the Executive's Base Salary and Target Bonus for the year in which the date of termination occurs (or if no such Target Bonus has been established for the Executive for the year in which the date of termination occurs, the Target Bonus for the year immediately preceding the year in which the date of termination occurs) and the "Multiplier" shall be (A) two (2) in the event of termination under Section 5(e) or Section 5(f) (other than due to Good Reason resulting solely from notice of non-renewal of the term of this Agreement), in each case, prior to the expiration of the Initial Term; (B) one and one half (1.5) in the event of a termination under Section 5(e) or Section 5(f), in each case, on or following the expiration of the Initial Term; and (C) one and one half (1.5) in the event of a termination at any time during the term of this Agreement for Good Reason resulting solely from the provision by the Company of notice of non-renewal of the term of this Agreement.

#### 8. Confidential Information.

a. The Executive acknowledges that the Company continually develops Confidential Information (as defined in Section 14); that the Executive may develop Confidential Information for the Company; and that the Executive may learn of Confidential Information during the course of employment. The Executive shall not disclose to any Person or use, other than as required by applicable law or for the performance of his duties and responsibilities to the Company, any Confidential Information obtained by the Executive incident to his employment with the Company. The Executive understands that this restriction shall continue to apply after his employment terminates, regardless of the reason for such termination.

b. All documents, records, tapes and other media of every kind and description containing Confidential Information, and all copies, (the "Documents"), whether or not prepared by the Executive, shall be the sole and exclusive property of the Company. The Executive shall return to the Company no later than the time his employment terminates all Documents then in the Executive's possession or control.

#### 9. Assignment of Rights to Intellectual Property.

a. The Executive shall promptly and fully disclose all Intellectual Property (as defined in Section 14) to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Intellectual Property. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including without limitation the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Intellectual Property to the Company and to permit the Company to enforce any patents, copyrights or other proprietary rights to the Intellectual Property. All copyrightable works that the Executive creates in the performance of his duties hereunder shall be considered "work made for hire."

b. Notwithstanding the foregoing, to the extent this Section 9 is subject to the provisions of California Labor Code Sections 2870, 2871 and 2872, Executive's obligation to assign Executive's right, title and interest throughout the world in and to all Intellectual Property does not apply to any inventions, designs, developments, contributions to or improvements of any works of authorship, inventions, intellectual property, materials, documents or other work product (including, without limitation, research, reports, software, databases, systems, applications, presentations, textual works, content or audiovisual materials) ("Works") that Executive developed entirely on his own time without using the Company's equipment, supplies, facilities, or Confidential Information except for those Works developed or created either alone or with third parties, at any time during Executive's employment by the Company and within the scope of such employment and/or with the use of any the Company resources that either: (i) relate to either (A) the business of Investment Holdings or the Company at the time of conception or reduction to practice of the Work, or actual or demonstrably anticipated research or development of Investment Holdings or the Company; or (ii) result from any Work performed by Executive for the Company. Executive shall disclose all Works to the Company, even if Executive does not believe that Executive is required under this Agreement, or pursuant to California Labor Code Section 2870, to assign his interest in such Works to the Company.

#### 10. Restricted Activities.

a. While the Executive is employed by the Company and, except as otherwise provided in Section 10(b) and Section 10(c) below, for the period of two (2) years following the termination of the Executive's employment in the event of a termination for which the Executive is entitled to a Covenant Payment pursuant to Section 7 with a Multiplier of 2, and for a period of eighteen (18) months following the termination of the Executive's employment in the event of a termination for which the Executive is entitled to a Covenant Payment pursuant to Section 7 with a Multiplier of 1.5, (as applicable, the "Restricted Period"), subject to the Company's compliance with the post-employment terms of this Agreement, the Executive will not engage or participate in, directly or indirectly, alone or as principal, agent, employee, employer, consultant, investor or partner of, or assist in the management of, or provide advisory or other services to, or own any stock or any other ownership interest in, or make any financial investment in, any business or entity which is Competitive with the Company (as defined below); *provided, however*, that it shall not be a violation of the foregoing (i) for the Executive to own not more than two percent (2%) of the outstanding securities of any class of securities listed on a national exchange or inter-dealer quotation system or (ii) following termination of the

Executive's employment with the Company, for the Executive to provide services to any business or entity that has a line of business, division, subsidiary or other affiliate that is Competitive with the Company if the Executive is not employed in such line of business or division or by such subsidiary or other affiliate and is not involved, directly or indirectly, in the management, supervision or operations of such line of business, division, subsidiary or affiliate that is Competitive with the Company. For purposes of this Agreement, a business or entity shall be considered "Competitive with the Company," if such business or entity competes in any respect with a business in which Investment Holdings and its subsidiaries were engaged (including, specifically, services related to financial advisors), or any material products and/or services that Investment Holdings or its subsidiaries were actively developing or designing as of the date the Executive's employment with the Company terminated, provided that, prior to such termination, the Executive knew of such other business or such material product or such service under active development or design. In addition, during the Restricted Period, the Executive will not (other than when acting on behalf of the Company during the Executive's employment) (i) solicit, or attempt to solicit, any existing or prospective customers, targets, suppliers, financial advisors, officers or employees of Investment Holdings or any of its subsidiaries to terminate their relationship with Investment Holdings or any of its subsidiaries or (ii) divert, or attempt to divert, from Investment Holdings or any of its subsidiaries any of its customers, prospective customers, targets, suppliers, financial advisors, officers or employees or (iii) hire or engage or otherwise contract with, or attempt to hire or engage or otherwise contract with, any officers, employees or financial advisors of Investment Holdings or any of its subsidiaries, whether to be an employee, officer, agent, consultant or independent contractor; *provided, however*, that nothing in this Section 10(a) shall be deemed to prohibit the Executive from soliciting a customer, prospective customer, target or supplier of Investment Holdings or any of its subsidiaries during the Restricted Period if such action relates solely to a business which is not Competitive with the Company. A customer, prospective customer, target, supplier, financial advisor, officer or employee of Investment Holdings or any of its subsidiaries is any one who was such within the preceding twelve months, excluding, however, any prospective customer or target which was solicited solely by mass mailing or general advertisement during that period and any officer, employee or financial advisor whose relationship with Investment Holdings or the Company was terminated by Investment Holdings or the Company or any of their subsidiaries other than for circumstances that would constitute "cause" (within the meaning of any such definition applicable to such officer, employee or financial advisor, or, if no such definition is applicable, "cause" as defined in the existing equity compensation plan maintained with respect to employees of the Company) and provided further, with respect to Investment Holdings' subsidiaries, that the Executive during his employment with the Company was introduced to, or otherwise knew of or should have known of the relationship of, such customer, prospective customer, target, supplier, financial advisor or employee to the subsidiary.

b. Notwithstanding anything herein to the contrary and to the extent that the Investment Holdings Compensation Committee, in its sole discretion, does not waive the obligation under this Section 10(b), in the event that the Executive terminates his employment hereunder without Good Reason, the Executive shall, at the Company's election, which election shall be provided to the Executive prior to the date of termination, (1) be subject to a Restricted Period which shall continue for a period of no less than 1 month to no more than 12 months following the date of termination of the Executive's employment, as designated by Investment

Holdings, and shall receive the Covenant Payment described in Section 7 with a Multiplier equal to a fraction, the numerator of which shall equal the number of months in the Restricted Period (up to 12 months) and the denominator of which shall be 12, or (2) receive no Covenant Payment and be subject to no Restricted Period.

c. The Executive may seek a waiver from the Company of his obligations pursuant to this Section 10, which waiver shall not be unreasonably withheld or delayed. As of the date of the grant of such waiver by the Company, all payments and benefits under the applicable provision of Section 5 shall cease other than the payment of Final Compensation, excluding the payments and benefits under clause (v) of the definition thereof which shall cease or be reimbursed by the Executive on a pro-rata basis for the waived time period of the Restricted Period, as applicable) or Accrued Compensation, as applicable).

11. Reasonableness; Enforcement. The Company and the Executive acknowledge that the time, scope, geographic area and other provisions of Sections 8, 9 and 10 (the "Restrictive Covenants") have been specifically negotiated by sophisticated parties and agree that all such provisions are reasonable under the circumstances of the activities contemplated by this Agreement. The Executive acknowledges and agrees that the terms of the Restrictive Covenants: (i) are reasonable in light of all of the circumstances, (ii) are sufficiently limited to protect the legitimate interests of the Company, (iii) impose no undue hardship, (iv) are not injurious to the public, and (v) are essential to protect the business and goodwill of the Company and its affiliates and are a material term of this Agreement which has induced the Company to agree to provide for the payments and benefits described in this Agreement. The Executive further acknowledges and agrees that the Executive's breach of the Restrictive Covenants will cause the Company and Investment Holdings irreparable harm, which cannot be adequately compensated by money damages. The Executive and the Company agree that, in the event of an actual or threatened breach of Section 10, the Company shall be entitled, to the extent enforceable under applicable law, to injunctive relief for any actual or threatened violation of any of the Restrictive Covenants in addition to any other remedies it may have at law or equity, including money damages.

12. Survival. Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 8, 9, 10 and 11 hereof and the obligations of the Company pursuant to Sections 5, 7 and 10(b) hereof.

13. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

14. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

a. “Change in Control” means the consummation, after the date of Closing, of (i) any transaction or series of related transactions, whether or not Investment Holdings is a party thereto, after giving effect to which in excess of fifty percent (50%) of Investment Holdings’ voting power is owned directly, or indirectly through one or more entities, by any person and its “affiliates” or “associates” (as such terms are defined in the Exchange Act Rules) or any “group” (as defined in the Exchange Act Rules) other than, in each case, Investment Holdings or an affiliate of Investment Holdings immediately following the Closing, or (ii) a sale or other disposition of all or substantially all of the consolidated assets of Investment Holdings (each of the foregoing, a “Business Combination”), provided that, notwithstanding the foregoing, a Change in Control shall not be deemed to occur as a result of a Business Combination following which the individuals or entities who were beneficial owners of the outstanding securities entitled to vote generally in the election of directors of Investment Holdings immediately prior to such Business Combination beneficially own, directly or indirectly, 50% or more of the outstanding securities entitled to vote generally in the election of directors of the resulting, surviving or acquiring corporation in such transaction.

b. “Confidential Information” means any confidential proprietary information relating to the business of Investment Holdings, the Company or their affiliates or their respective customers or clients which has an economic value to Investment Holdings, the Company or their affiliates. Confidential Information does not include any information that enters the public domain other than through a breach by the Executive of his duties to Investment Holdings or the Company hereunder or which is obtained by the Executive from a third party which has no obligation of confidentiality to Investment Holdings or the Company.

c. “Intellectual Property” means any invention, formula, process, discovery, development, design, innovation or improvement (whether or not patentable or registrable under copyright statutes) made, conceived, or first actually reduced to practice by the Executive solely or jointly with others, during his employment by the Company; provided, however, that, as used in this Agreement, the term “Intellectual Property” shall not apply to any invention that the Executive develops on his own time, without using the equipment, supplies, facilities or trade secret information of Investment Holdings or the Company, unless such invention relates at the time of conception or reduction to practice of the invention (a) to the business of Investment Holdings or the Company, (b) to the actual or demonstrably anticipated research or development of Investment Holdings or the Company or (c) results from any work performed by the Executive for Investment Holdings or the Company.

d. “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its subsidiaries.

15. Withholding. All payments or other benefits, to the extent required by law, made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

16. Legal Fees. The Company shall at its election either pay directly the joint legal expenses incurred by the Executive and the other executives of the Company with whom the Company is entering into employment agreements effective as of the Closing in the negotiation and preparation of their employment agreements or reimburse the Executive for his portion of such joint legal expenses. In addition, all reasonable costs and expenses that are reasonably documented (including court and arbitration costs and reasonable legal fees and expenses that reflect common practice with respect to the matters involved) incurred by the Executive as a result of any claim, action or proceeding arising out of this Agreement or the contesting, disputing or enforcing of any provision, right or obligation under this Agreement shall be paid, or reimbursed to the Executive, if, in the final resolution of the dispute, the Executive either recovers material monetary damages (in cash or in kind, such as benefits) or is the prevailing party on a material non-monetary claim (such as a dispute regarding a restrictive covenant).

17. Dispute Resolution.

a. Except as provided in Section 11, any dispute, controversy or claim between the parties arising out of this Agreement or the Executive's employment with the Company or termination of employment shall be settled by arbitration conducted in the city in which the Executive is located administered by the American Arbitration Association under its Employment Dispute Resolution Rules then in effect (except as modified by b. below).

b. In the event that a party requests arbitration (the "Requesting Party"), it shall serve upon the other party (the "Non-Requesting Party"), within one hundred and eighty (180) days of the date the Requesting Party knew, or reasonably should have known, of the facts on which the controversy, dispute or claim is based, a written demand for arbitration stating the substance of the controversy, dispute or claim, the contention of the party requesting arbitration and the name and address of the arbitrator appointed by it. The Non-Requesting Party, within sixty (60) days of such demand, shall accept the arbitrator or appoint a second arbitrator and notify the other party of the name and address of this second arbitrator so selected, in which case the two arbitrators shall appoint a third who shall be the sole arbitrator to hear the case. In the event that the two arbitrators fail in any instance to appoint a third arbitrator within thirty (30) days of the appointment of the second arbitrator, either arbitrator or any party to the arbitration may apply to the American Arbitration Association for appointment of the third arbitrator in accordance with the Rules, which arbitrator shall be the sole arbitrator to hear the case. Should the Non-Requesting Party (upon whom a demand for arbitration has been served) fail or refuse to accept the arbitrator appointed by the other party or to appoint an arbitrator within sixty (60) days, the single arbitrator shall have the right to decide alone, and such arbitrator's decision or award shall be final and binding upon the parties.

c. The decision of the arbitrator shall be in writing; shall set forth the basis for the decision; and shall be rendered within thirty (30) days following the hearing. The decision of the arbitrator shall be final and binding upon the parties and may be enforced and executed

upon in any court having jurisdiction over the party against whom enforcement of such award is sought.

18. No Withholding of Undisputed Payments. During the pendency of any dispute or controversy, the Company shall not withhold any payments or benefits due to the Executive, whether under this Agreement or otherwise, except for the specific portion of any payment or benefit that is the subject of a bona fide dispute between the parties.

19. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

20. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

21. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

22. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or the next business day following consignment for overnight delivery to a reputable national overnight courier service or five business days following deposit in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chairman of the Investment Holdings Board, or to such other address as a party may specify by notice to the other actually received. Copies of any notices, requests, demands and other communication to the Company by the Executive shall be sent by the to the investors at the following address: c/o Texas Pacific Group, 301 Commerce Street, Suite 3300, Fort Worth, TX 76102, Attn: Richard Schifter (Fax: 415-743-1501) and c/o Hellman & Friedman LLC, One Maritime Plaza, 12<sup>th</sup> Floor, San Francisco, CA 94111, Attn: Allen Thorpe (Fax: 415-835-5408).

23. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment including, without limitation, the applicable Executive Summary of Proposed Terms.

24. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an authorized representative of the Company subject to prior approval by the Investment Holdings Board.

25. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

26. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

27. Governing Law. This is a Massachusetts contract and shall be construed and enforced under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

[Remainder of page intentionally left blank]



IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE

By: /s/ Robert J. Moore  
Name: Robert J. Moore

THE COMPANY

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

HOLDINGS

By: /s/ Stephanie L. Brown  
Name: Stephanie L. Brown  
Title: Secretary

INVESTMENT HOLDINGS (with respect to Section 4(c) only)

By: /s/ Mark S. Casady  
Name: Mark S. Casady  
Title: Chief Executive Officer

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**Schedule 1**

**(A) Boards and Committees**

Invest in Others Foundation  
Chicago History Museum  
Legal & General Investment Management America (this is a wholly owned subsidiary of Legal & General plc)  
Global Capital Insights, LLC  
Meadows Traverse City, LLC

**(B) Base Salary**

\$600,000

**(C) 2010 Target Bonus**

\$495,000

**(D) Target Bonus**

\$495,000

Opportunity to Earn Bonus Compensation in Excess of Target Bonus: The amount of the Executive's bonus opportunity above Target Bonus (the "Outperformance Bonus"), and the performance necessary to earn the Outperformance Bonus, shall be determined by the Investment Holdings Compensation Committee on an annual basis after consultation with, and with good faith consideration of the views of, the CEO of the Company.

**(E) Annual Vacation**

4 weeks.

**LPL FINANCIAL CORPORATION  
EXECUTIVE SEVERANCE PLAN**

**Introduction**

The purpose of Plan is to enable the Company and its subsidiaries to offer a form of protection to members of the Executive Management Committee in the event their employment with the Company or a subsidiary terminates.

Accordingly, the Board has adopted the Plan effective on the Effective Date as herein defined, for selected members of the Executive Management Committee in an effort to assist in replacing the loss of income caused by a termination of employment under the circumstances described herein.

The Plan supersedes any severance plans, policies and/or practices of the Company and any subsidiary in effect for employees who participate in the Plan. The Severance Benefits payable under this Plan apply to Qualifying Terminations on and after the Effective Date.

The Plan is intended to alleviate some of the financial hardship that Eligible Employees may experience when their employment is terminated for a reason covered by the Plan. In essence, the Severance Benefits are intended to be supplemental unemployment benefits. The Severance Benefits are not intended as deferred compensation and no individual shall have a vested right in such benefits.

The Company, as the Plan sponsor, has the sole discretion to determine whether an employee may be considered eligible for Severance Benefits under the Plan. All actions taken by the Company shall be in its role as the sponsor of the Plan, and not as a fiduciary. Nothing in the Plan will be construed to give any employee the right to receive severance payments, except as set forth herein, or to continue in the employment of the Company or any of its subsidiaries. The Plan is unfunded, has no trustee, and is administered by the Compensation Committee of the Board (or such other committee appointed by the Board for purposes of administering the Plan). The Plan is intended to be an "employee welfare benefit plan" within the meaning of section 3(1) of ERISA and it shall be administered as a top hat plan that is exempt from the substantive requirements of ERISA.

All capitalized terms in this Introduction shall have the meaning ascribed to them in Article 2 below.

**Article 1. Establishment, Term and Purpose**

**1.1 Establishment of the Plan.** The Company hereby establishes an executive severance plan to be known as the "LPL Financial Corporation Executive Severance Plan."

**1.2 Term of the Plan.** The Plan, as set forth herein, will commence on the Effective Date and will continue until terminated or amended by action of the Board or the Committee in accordance with Section 12.6.

**1.3 Purpose of the Plan.** The purpose of the Plan is to provide Eligible Employees Severance Benefits in the event of a Qualifying Termination.

## **Article 2. Definitions**

Whenever used in the Plan, the following terms shall have the meanings set forth below and, when the meaning is intended, the initial letter of the word is capitalized:

**2.1 “Accrued Compensation”** means (i) the Participant’s Base Salary paid through the Participant’s Separation Date; (ii) reimbursement for reasonable business expenses incurred in the ordinary course of the Participant’s duties prior to the Participant’s Separation Date and in accordance with Company policies; provided claims for such reimbursement are submitted to the Company within 60 days following the Participant’s Separation Date; and (iii) such employee benefits, if any, as to which the Participant may be entitled under the Company’s employee benefit plans.

**2.2 “Base Salary”** means the Participant’s annual base salary in effect on the Separation Date.

**2.3 “Beneficiary”** means the Participant’s estate.

**2.4 “Board”** means the Board of Directors of LPL Investment Holdings Inc.

**2.5 “Cause”** means an Eligible Employee’s: (i) failure to substantially perform his usual duties of employment with the Company (other than as a result of an illness or injury) for a period of 10 days following notice by the Company to the Eligible Employee of such failure; (ii) fraud, embezzlement, dishonesty or theft related to employment; (iii) an act or acts constituting a felony, a violation of any federal or state securities or banking laws or a misdemeanor involving moral turpitude; (iv) willful malfeasance, willful misconduct or gross negligence in connection with the Eligible Employee’s employment duties or any act or omission that is injurious to the financial condition or business reputation of the Company and its affiliates; or (v) breach of the restrictive covenants in Sections 6.1, 6.2 or 6.3.

**2.6 “COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

**2.7 “Code”** means the Internal Revenue Code of 1986, as amended.

**2.8 “Committee”** means the Compensation Committee of the Board, or any other committee appointed by the Board to perform the functions of the Compensation Committee.

**2.9 “Company”** means LPL Financial Corporation or any successor thereto.

**2.10 “Effective Date”** means the closing of the 2010 initial public offering of common stock of LPL Investment Holdings Inc.

**2.11 “Eligible Employee”** means each member of the Executive Management Committee who has not entered into an employment or severance contract (other than the Plan) with the Company or an affiliate.

**2.12 “ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**2.13 “Executive Management Committee”** means executive employees of the Company or its affiliates who are designated by the Board as members of such committee.

**2.14 “Good Reason”** shall mean only the occurrence, without the Participant’s express written consent (which may be withheld for any or no reason) of any of the events or conditions described herein, provided that, the Participant gives written notice to the Company of the occurrence of Good Reason within ninety (90) days following the date on which the Participant first knew or reasonably should have known of such occurrence and the Company shall not have fully corrected the situation within thirty (30) days following such notice. The following occurrences shall constitute Good Reason for purposes of this Plan: (i) a material reduction in the Participant’s Base Salary unless such reduction is consistent with reductions made in the applicable annual base salaries of other similarly situated employees of the Company or (ii) a material adverse change in the Participant’s title from managing director (but not changes in functional titles); provided that “Good Reason” shall cease to exist for an event on the ninetieth (90<sup>th</sup>) day following the date on which the Participant knew or reasonably should have known of such event and failed to give notice as described above or the Participant fails to terminate employment within fourteen (14) days following the expiration of the cure period.

**2.15 “Involuntary Termination”** means the termination of a Participant’s employment by the Company for any reason other than death, Permanent Disability or Cause.

**2.16 “Participant”** means an Eligible Employee who has satisfied the conditions for participation in Section 3 and thereby becomes eligible for Severance Benefits under the Plan.

**2.17 “Permanent Disability”** means a physical or mental incapacity or disability of a Participant which is determined by a qualified third party medical expert to render the Participant unable to substantially perform all of the usual duties of employment with the Company (with reasonable accommodations that do not cause an undue hardship) (i) for one-hundred twenty (120) days in any twelve (12) month period or (ii) for a period of ninety (90) successive days.

**2.18 “Plan”** means this LPL Financial Corporation Executive Severance Plan, as may be amended from time to time.

**2.19 “Proprietary Information”** means trade secrets or proprietary or confidential information of any of the Company or its affiliates, or of any third party which any one of the Company or its affiliates is under an obligation to keep confidential (including, but not limited to, intellectual property rights and information related to the business of any of the Company or its affiliates and any of their clients or representatives that (a) confers or tends to confer a competitive advantage on any of the Company or its affiliates or (b) that has commercial value for any of the Company or its affiliates). This includes but is not limited to: contracts; marketing materials and business strategies; legal information; regulatory information; product information;

mark-up guidelines; client lists (including the names, addresses, telephone numbers and account numbers of clients, the trade history with each client, and all other information on client lists); lists of client prospects, financial advisors, business partners, brokers and/or representatives; software programs; software source documents, financial information and projections; and all concepts, plans, proposals or information about current, future and proposed business or sales.

**2.20 “Qualifying Termination”** means (i) an Involuntary Termination or (ii) a voluntary termination of the Participant’s employment for Good Reason.

**2.21 “Release”** means a general release agreement which contains, among other provisions, a general release of all claims of any kind whatsoever against the Company and its affiliates, their officers, directors and employees, known or unknown, as of the Separation Date.

**2.22 “Separation Date”** means the Participant’s last active day of employment with the Company.

**2.23 “Severance Benefits”** means the payment of severance compensation as provided in Section 4.2 herein.

**2.24 “Severance Period”** and **“Restricted Period”** means one (1) year following the Separation Date.

**2.25 “Voluntary Resignation”** means any retirement or voluntary resignation from employment other than for Good Reason.

### **Article 3. Participation**

**3.1 Eligible Employees.** Each Eligible Employee who incurs a Qualifying Termination and satisfies the conditions of Section 3.2 shall be a Participant and shall receive the Severance Benefits described in the Plan.

**3.2 Release.** As a condition of receiving benefits hereunder, a Participant shall be required to provide the Company with a Release. The Release shall be in the form provided by the Company and must be executed within the time period specified by the Company, which shall not exceed sixty (60) days following the Separation Date. Provided that the Participant has complied in all material respects with the terms and conditions of the Release, the Company shall provide the Participant with the payments set forth in Section 4.2.

### **Article 4. Severance Benefits**

**4.1 Right to Severance Benefits.** An Eligible Employee shall be entitled to receive from the Company the Severance Benefits, as described in Section 4.2, if the Eligible Employee’s employment with the Company ends on account of a Qualifying Termination, and the Eligible Employee executes, and does not revoke, the Release. Eligible Employees shall not be entitled to receive Severance Benefits if they are terminated for a reason that does not constitute a Qualifying Termination.

**4.2 Severance Benefits.** In the event that a Participant becomes entitled to receive Severance Benefits, the Company shall pay to the Participant the following:

- (a) the Accrued Compensation, payable in a lump sum at the Company's next regular payday following the sixtieth (60th) day after the Separation Date or on such earlier date as may be required or permitted under applicable law;
- (b) Base Salary during the Severance Period;
- (c) an amount equal to the bonus paid (or payable) to the Participant for the most recently completed calendar year; and
- (d) an amount equal to 100% of the premium (including the additional amount, if any, charged for administrative costs as permitted by COBRA) of continued health and dental plan participation under COBRA for the Participant and for the Participant's qualified beneficiaries (as that term is defined under COBRA) for the one (1) year period immediately following the Separation Date. Notwithstanding any provision herein to the contrary, the premium payment shall be paid in a lump sum on the first business day that is the earlier of (i) six (6) months following the Separation Date, or (ii) at such time as otherwise permitted by law that would not result in additional taxation and penalties under Code Section 409A.

Except as otherwise provided in Article 9 or elsewhere herein, any payments due under this Section shall be payable in twelve (12) monthly installments during the Severance Period in accordance with the Company's normal payroll practices and shall begin at the Company's next regular payday following the sixtieth (60th) day after the Separation Date provided that the Participant has executed and not revoked the Release and is compliant in all material respects with the Release terms and conditions. For the avoidance of doubt, if the Participant does not execute a Release or if the Participant revokes an executed Release within the time period permitted by law, the Participant shall not be entitled to the Severance Benefits, other than the Accrued Compensation, set forth in this Section 4.2. Except as described in this Section 4.2, neither the Company nor any of its affiliates shall have any further obligations to the Participant under the Plan.

**4.3 Voluntary Resignation; Termination for Death or Permanent Disability.** If an Eligible Employee's employment terminates on account of (a) Voluntary Resignation, (b) death, or (c) Permanent Disability, then the Eligible Employee shall not be entitled to receive Severance Benefits under this Plan and shall be entitled only to receive his or her Accrued Compensation. Except as described in this Section 4.3, neither the Company nor any of its affiliates shall have any further obligations to the Participant under the Plan.

**4.4 Termination for Cause.** If an Eligible Employee's employment terminates on account of termination by the Company for Cause, the Eligible Employee shall not be entitled to receive Severance Benefits and the Company shall pay the Eligible Employee his or her Accrued Compensation. Notwithstanding any other provision of the Plan to the contrary, if the

Committee determines, at any time, that a Participant has engaged in conduct prior to the Participant's Separation Date that constitutes Cause, any Severance Benefits payable or provided to the Participant under the Plan shall immediately cease, and the Participant shall be required to return any Severance Benefits paid or provided to the Participant prior to such determination. Except as described in this Section 4.4, neither the Company nor any affiliate shall have any further obligations to such Eligible Employee or Participant, as applicable, under the Plan.

**4.5 Severance Benefits in the Event of Death.** If a Participant dies while any amount would still be payable to him or her hereunder had he or she continued to live, all such amounts, unless otherwise provided herein, shall be paid to the Participant's Beneficiary within sixty (60) days from the date of the Participant's death.

#### **Article 5. Code Section 4999 Excise Tax.**

Anything in this Plan to the contrary notwithstanding, in the event that it shall be determined that any payment or benefit (including any accelerated vesting of options or other equity awards) made or provided, or to be made or provided, by the Company (or any successor thereto or affiliate thereof) to or for the benefit of a Participant, whether pursuant to the terms of this Plan, any other agreement, plan, program or arrangement of or with the Company (or any successor thereto or affiliate thereof) or otherwise (a "Payment"), will be subject to the excise tax imposed by Code Section 4999 or any comparable tax imposed by any replacement or successor provision of United States tax law, then the aggregate present value of the Payments shall be reduced (but not below zero) to the Reduced Amount. The "Reduced Amount" shall be an amount expressed in present value which maximizes the aggregate present value of the Payments without causing any Payment to be subject to the deduction limitation under Code Section 280G or the imposition of any excise tax under Code Section 4999. For this purpose, "present value" shall be determined in accordance with Code Section 280G(d)(4). In the event that it is determined that the amount of the Payments will be reduced in accordance with this Section, the Payments shall be reduced on a nondiscretionary basis in such a way as to minimize the reduction in the economic value deliverable to the Participant. In applying this principle, the reduction shall be made in a manner consistent with the requirements of Code Section 409A, and where more than one payment has the same value for this purpose and they are payable at different times, they will be reduced on a pro-rata basis. All determinations to be made under this Section shall be made by the nationally recognized independent public accounting firm used by the Company immediately prior to the change in control ("Accounting Firm"), which Accounting Firm shall provide its determinations and any supporting calculations to the Company and the Participant within ten (10) days of the Separation Date. Any such determination by the Accounting Firm shall be binding upon the Company and the Participant. All of the fees and expenses of the Accounting Firm in performing the determinations referred to in this Section shall be borne solely by the Company.

#### **Article 6. Restrictive Covenants**

As consideration for the Company's offer of coverage under this Plan to Eligible Employees and for other good and valuable consideration, during his or her employment and upon termination of employment for any reason, each Eligible Employee agrees to comply with the restrictive covenants contained herein. In addition, receipt of Severance Benefits other than



Accrued Compensation is expressly conditioned upon such Participant's continued compliance with such restrictive covenants.

**6.1 Non-Competition.** During the Restricted Period, regardless of the reason for the separation and to the extent enforceable under applicable law, an Eligible Employee may not provide, directly or indirectly, alone or as principal, agent, employee, employer, consultant, investor or partner of, or assist in the management of, or provide advisory, sales, marketing, recruiting or any other services to a business or entity that competes in any respect with a business in which the Company and its affiliates were engaged (including, specifically, services related to financial advisors), or any material products and/or services that the Company or its affiliates were actively developing or designing as of the date such Eligible Employee's employment with the Company terminated, provided that, prior to such termination, such Eligible Employee knew of such other business or such material product or such service under active development or design.

**6.2 Non-Solicitation.**

(a) During the Restricted Period, regardless of the reason for the separation and to the extent enforceable under applicable law, each Eligible Employee may not, directly or indirectly, solicit, persuade or induce: (i) any financial advisor licensed with the Company or its affiliates or any clients of such financial advisor; (ii) any financial advisor licensed with the Company or its affiliates during the twelve (12) month period prior to such Eligible Employee's Separation Date or any clients of such financial advisors; (iii) any financial advisors who such Eligible Employee, by virtue of his or her position, knew or should have known to be in discussions with the Company or its affiliates regarding licensure with the Company or its affiliates; (iv) any institution with a contract with the Company or its affiliates; (v) any institution with a contract with the Company or its affiliates during the twelve (12) month period prior to such Eligible Employee's Separation Date; or (vi) any institution who such Eligible Employee, by virtue of his or her position, knew or should have known to be in discussions with the Company or its affiliates regarding business relations with the Company or its affiliates.

(b) During the Restricted Period, regardless of the reason for the separation and to the extent enforceable under applicable law, each Eligible Employee may not, directly or indirectly, solicit, seek to hire, or persuade or induce any employee or consultant of the Company or its affiliates (or any person who was an employee or consultant of the Company or its affiliates during the twelve (12) month period prior to such Eligible Employee's Separation Date) to discontinue his or her employment or other association with the Company or its affiliates.

**6.3 Confidentiality.** Each Eligible Employee agrees and covenants not to disclose or use for his or her own benefit, or the benefit of any other person or entity, any Proprietary Information, unless or until the Proprietary Information is or becomes known or available to the public other than because of a breach of this agreement by such Eligible Employee, or such disclosure is or becomes required by law or valid legal process or is necessary to carry out the duties of his or her employment, each Eligible Employee shall not disclose or reveal to any unauthorized person any Proprietary Information relating to one or more of the Company or its affiliates, and each Eligible Employee confirms that the Proprietary Information constitutes the exclusive property of one or more of the Company or its affiliates.

**6.4 Specific Remedy.** Each Eligible Employee acknowledges and agrees that if he or she commits a material breach of the restrictive covenants in Sections 6.1, 6.2 or 6.3, the Company shall have the right to have the covenant specifically enforced through an injunction or otherwise, without any obligation that the Company post a bond or prove actual damages, by any court having appropriate jurisdiction on the grounds that any such breach will cause irreparable injury to the Company, without prejudice to any other rights and remedies that Company may have for a breach of this Plan, and that money damages will not provide an adequate remedy to the Company. Each Eligible Employee further acknowledges and agrees that the restrictive covenants contained in Section 6.1, 6.2 or 6.3 are intended to protect the Company's business interests and goodwill, are fair, do not unreasonably restrict his or her future employment and business opportunities, and are commensurate with the arrangements set out in this Plan and with the other terms and conditions of the Eligible Employee's employment.

#### **Article 7. Withholding of Taxes; Funding**

**7.1 Withholding of Taxes; Taxes.** The Company shall be entitled to withhold from any amounts payable under the Plan all taxes as legally shall be required (including, without limitation, any United States federal taxes, and any other state, city, or local taxes). Each Participant shall be solely responsible for the payment of all taxes that become due as a result of a payment to the Participant under this Plan.

**7.2 Funding.** The Plan shall be funded out of the general assets of the Company as and when severance benefits are payable under the Plan. All Participants shall be solely general creditors of the Company.

#### **Article 8. Successors and Assignment**

**8.1 Successors to the Company.** The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) of all or substantially all of the business and/or assets of the Company or of any division or subsidiary thereof to expressly assume and agree to perform the Company's obligations under the Plan in the same manner and to the same extent that the Company would be required to perform them if no such succession had taken place.

**8.2 Assignment by the Participant.** Except in the event of death, a Participant does not have the power to transfer, assign, anticipate, mortgage or otherwise encumber any rights or any amounts payable under this Plan; nor will any such rights or amounts payable under this Plan be subject to seizure, attachment, execution, garnishment or other legal or equitable process, or for the payment of any debts, judgments, alimony, or separate maintenance, or be transferable by operation of law in the event of bankruptcy, insolvency, or otherwise. In the event a Participant attempts to assign, transfer or dispose of such right, or if an attempt is made to subject such right to such process, such assignment, transfer or disposition will be null and void.

#### **Article 9. Code Section 409A**

Notwithstanding the other provisions hereof, this Plan is intended to comply with the requirements of Code Section 409A, to the extent applicable, and this Plan shall be interpreted to avoid any penalty sanctions under Code Section 409A. Accordingly, all provisions herein, or

incorporated by reference, shall be construed and interpreted to comply with Code Section 409A and, if necessary, any such provision shall be deemed amended to comply with Code Section 409A and regulations thereunder. If any payment or benefit cannot be provided or made at the time specified herein without incurring sanctions under Code Section 409A, then such benefit or payment shall be provided in full at the earliest time thereafter when such sanctions will not be imposed. All payments to be made upon a termination of employment under this Agreement may only be made upon a "separation from service" under Code Section 409A to the extent required under Code Section 409A. For purposes of Code Section 409A, each payment made under this Plan shall be treated as a separate payment. In no event may a Participant, directly or indirectly, designate the calendar year of payment.

Reimbursements provided under this Plan, if any, shall be made or provided in accordance with the requirements of Code Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during a limited period of time; (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year; (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

To the maximum extent permitted under Code Section 409A, the severance benefits payable under this Plan are intended to comply with the "short-term deferral exception" under Treas. Reg. §1.409A-1(b)(4), and any remaining amount is intended to comply with the "separation pay exception" under Treas. Reg. §1.409A-1(b)(9)(iii); provided, however, any portion of the severance benefits that are payable under the Plan to a Participant during the six (6) month period following the Participant's Separation Date that does not qualify within either of the foregoing exceptions and constitutes deferred compensation subject to the requirements of Code Section 409A, then such amount shall hereinafter be referred to as the "Excess Amount." If at the time of the Participant's separation from service, the Company's (or any entity required to be aggregated with the Company under Code Section 409A) stock is publicly-traded on an established securities market or otherwise and the Participant is a "specified employee" (as defined in Code Section 409A and determined in the sole discretion of the Company (or any successor thereto) in accordance with the Company's (or any successor thereto) "specified employee" determination policy), then the Company shall postpone the commencement of the payment of the portion of the Excess Amount that is payable within the six (6) month period following the Participant's Separation Date with the Company (or any successor thereto) for six (6) months following the Participant's Separation Date with the Company (or any successor thereto). The delayed Excess Amount shall be paid in a lump sum to the Participant within ten (10) days following the date that is six (6) months following the Participant's Separation Date with the Company (or any successor thereto) and any remaining installments shall continue to be paid to the Participant on their original schedule. If the Participant dies during such six (6) month period and prior to the payment of the portion of the Excess Amount that is required to be delayed on account of Code Section 409A, such Excess Amount shall be paid to the personal representative of the Participant's Beneficiary within sixty (60) days after the Participant's death.

## Article 10. Claims Procedures

Any request or claim for severance benefits under the Plan shall be deemed to be filed when a written request is made by the claimant or the claimant's authorized representative which is reasonably calculated to bring the claim to the attention of the Committee.

The Committee, or its designee, shall advise the claimant or such claimant's representative, in writing or in electronic form, of its decision within ninety (90) days of receipt of the claim for severance benefits under the Plan, unless special circumstances require an extension of such ninety (90) day period for not more than an additional ninety (90) days. Where such extension is necessary, the claimant shall be given written notice of the delay before the expiration of the initial ninety (90) day period, which notice shall set forth the reasons for the delay and the date the Committee expects to render its decision. If the extension is necessary because the claimant has failed to submit the information necessary to decide the claim, the Committee's period for responding to such claim shall be tolled until the date the claimant responds to the request for additional information. The response shall (i) be in writing or in electronic form; (ii) be written in a manner calculated to be understood by the claimant; and (iii) in the case of an adverse benefit determination: (a) set forth the specific reason(s) for the denial of benefits; (b) contain specific references to Plan provisions on which the denial is based; (c) describe any additional material and information, if any, necessary for the claim for benefits to be perfected, and an explanation of why such material or information is necessary; and (d) describe the Plan's review procedures and the time limits applicable to such procedures, and include a statement of the claimant's right to bring a civil action under section 502(a) of ERISA following an adverse benefit determination on review.

If the claimant fails to appeal the Committee's adverse benefit determination, in writing, within sixty (60) days after its receipt by the claimant, the Committee's determination shall become final and conclusive.

If the claimant appeals the Committee's adverse benefit determination in a timely fashion, the Committee shall reexamine all issues relevant to the original denial of benefits. Any such claimant or his or her duly authorized representative may review any relevant documents and records, free of charge, including documents and records that were relied upon in making the benefit determination, documents submitted, considered or generated in the course of making the benefit determination (even if such documents were not relied upon in making the benefit determination), and documents that demonstrate compliance, in making the benefit determination, with the Plan's required administrative processes and safeguards. In addition, the claimant or his duly authorized representative may submit, in writing, any documents, records, comments or other information relating to such claim for benefits. In the course of the review, the Committee shall take into account all comments, documents, records and other information submitted by the claimant or his duly authorized representative relating to such claim, regardless of whether it was submitted or considered as part of the initial benefit determination.

The Committee shall advise the claimant or such claimant's representative, in writing or in electronic form, of its decision within sixty (60) days of receipt of the written appeal, unless special circumstances require an extension of such sixty (60) day period for not more than an additional sixty (60) days. Where such extension is necessary, the claimant shall be given

written notice of the delay before the expiration of the initial sixty (60) day period, which notice shall set forth the reasons for the delay and the date the Committee expects to render its decision. In the event of an adverse benefit determination on appeal, the Committee shall advise the claimant, in a manner calculated to be understood by the claimant of: (i) the specific reason(s) for the adverse benefit determination; (ii) the specific Plan provisions on which the decision was based; (iii) the claimant's right to receive, upon request and free of charge, and reasonable access to, copies of all documents, records and other information relevant to such claim; and (iv) a statement describing any voluntary appeals procedures offered by the Plan, the claimant's right to obtain information about such procedures, and a statement of the claimant's right to bring an action under section 502(a) of ERISA.

No person may bring an action for any alleged wrongful denial of Plan benefits in a court of law unless the claims procedures set forth above are exhausted and a final determination is made by the Committee. If a Participant or other interested person challenges a decision of the Committee, a review by the court of law will be limited to the facts, evidence and issues presented to the Committee during the claims procedure set forth above. Facts and evidence that become known to the Participant or other interested person after having exhausted the claims procedure must be brought to the attention of the Committee for reconsideration of the claims determination. Issues not raised with the Committee will be deemed waived.

#### **Article 11. Administration**

The Committee will be the plan administrator of the Plan and the named fiduciary of the Plan for purposes of ERISA. The Committee may, however, delegate to any person, committee or entity any of its power or duties under the Plan. The Committee will be the sole judge of the application and interpretation of the Plan, and will have the discretionary authority to construe the provisions of the Plan and to resolve disputed issues of fact. The Committee will have the sole authority to make determinations regarding eligibility for benefits. The decisions of the Committee in all matters relating to the Plan that are within the scope of its authority (including, but not limited to, eligibility for benefits, Plan interpretations, and disputed issues of fact) will be final and binding on all parties.

#### **Article 12. Miscellaneous**

**12.1 Notice of Termination.** Any termination for Cause covered by this Plan shall be communicated by a Notice of Termination. For purposes of the Plan, a "Notice of Termination" shall mean a written notice which shall indicate the specific termination provision in the Plan relied upon, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Participant's employment under the provision so indicated.

**12.2 Employment Status.** Except as may be provided under any other agreement between a Participant and the Company, the employment of the Participant by the Company is "at will", and may be terminated by either the Participant or the Company at any time, subject to applicable law. Nothing contained herein shall constitute an employment contract or guarantee of employment or confer any other rights except as set forth herein.

**12.3 Other Payments.** Except as otherwise provided in this Plan, no Participant shall be entitled to any cash payments or other severance benefits under any of the Company's or any affiliate's then current severance pay policies for a termination that is covered by this Plan for the Participant.

**12.4 No Mitigation.** Participants shall not be required to mitigate the amount of any Severance Benefit provided for in this Plan by seeking other employment or otherwise, nor shall the amount of any Severance Benefit provided for herein be reduced by any compensation earned by other employment or otherwise, except if the Participant is re-employed by the Company or an affiliate, in which case Severance Benefits shall cease.

**12.5 Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine; the plural shall include the singular, and the singular shall include the plural.

**12.6 Amendment or Termination.** The Board and the Committee may, in their sole discretion, amend or terminate the Plan, in whole or in part, at any time and for any reason or no reason without the consent of Participants. An amendment to the Plan may not discontinue or change any payments to a Participant who commenced receiving severance benefits under the Plan prior to the effective date of the amendment or termination of the Plan. If the Plan is terminated, no further severance benefits will be payable under the Plan to any Participant who has not commenced receiving severance benefits under the Plan prior to the effective date of such termination.

**12.7 Governing Law.** To the extent not preempted by the laws of the United States, this Plan shall be construed and enforced under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof.

**12.8 Liability.** No member of the Committee and no officer, director or employee of the Company or any affiliate shall be liable for any inaction with respect to his or her functions under the Plan unless such action or inaction is adjudged to be due to gross negligence, willful misconduct or fraud. Further, no member of the Committee shall be personally liable merely by virtue of any instrument executed by him or her or on his or her behalf as a member of the Committee.

**12.9 Indemnification.** The Company shall indemnify, to the fullest extent permitted by law and its Certificate of Incorporation and By-laws (but only to the extent not covered by insurance) its officers and directors (and any employee involved in carrying out the functions of the Company under the Plan) and each member of the Committee against any expenses, including amounts paid in settlement of a liability, which are reasonably incurred in connection with any legal action to which such person is a party by reason of his or her duties or responsibilities with respect to the Plan, except with regard to matters as to which he or she shall be adjudged in such action to be liable for gross negligence, willful misconduct or fraud in the performance of his or her duties.

**12.10 Headings.** The headings of the Plan are inserted for convenience of reference only and shall have no effect upon the meaning of provisions hereof.

**12.11 Incompetency.** In the event that the Committee finds that a Participant is unable to care for his or her affairs because of illness or accident, then benefits payable hereunder, unless claim has been made therefor by a duly appointed guardian, committee, or other legal representative, may be paid in such manner as the Committee shall determine, and the application thereof shall be a complete discharge of all liability for any payments or benefits to which such Participant was or would have been otherwise entitled under the Plan.

**IN WITNESS WHEREOF**, the Company has caused this instrument to be executed this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

**LPL FINANCIAL CORPORATION**

By: \_\_\_\_\_  
Its: