

INCENTIVE UNIT AGREEMENT

This **INCENTIVE UNIT AGREEMENT** (this “*Agreement*”) is entered into as of August 1, 2011 by and between Stratfor Enterprises, LLC, a Delaware limited liability company (the “*Company*”), and Shea Morenz (“*Grantee*”).

RECITALS

WHEREAS, to provide incentive to Grantee to enhance the profitability and growth of the Company, the Company desires to grant to Grantee 20,000 Incentive Units in the Company (the “*Incentive Units*”), which Incentive Units shall have such rights, designations and preferences as are set forth in this Agreement and the Limited Liability Company Agreement dated August 1, 2011 among the Company and its Members (as such agreement is amended or restated from time to time, the “*LLC Agreement*”);

WHEREAS, (i) 6,668 of the 20,000 Incentive Units shall be considered “*Time Units*”, (ii) 6,666 of the 20,000 Incentive Units shall be considered “*Stratfor Performance Units*” and (iii) 6,666 of the 20,000 Incentive Units shall be considered “*Stratcap Performance Units*”; and

WHEREAS, the Company and Grantee desire to enter into this Agreement to evidence certain terms and conditions relating to the grant, ownership, and transfer of the Incentive Units.

NOW, THEREFORE, in consideration of the mutual agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and Grantee agree as follows:

AGREEMENTS

ARTICLE I DEFINITIONS AND CONSTRUCTION

1.1 Construction. Unless the context requires otherwise: (a) the gender (or lack of gender) of all words used in this Agreement includes the masculine, feminine, and neuter; (b) references to Sections refer to sections of this Agreement; (c) references to money refer to legal currency of the United States of America; and (d) the word “including” means “including without limitation.”

1.2 Definitions. In addition to the terms defined in the body of this Agreement, the following capitalized words shall have the meanings indicated below. Other capitalized terms used in this Agreement that are not defined below or in the body of this Agreement shall have the meanings given to them in the LLC Agreement.

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

“*Enterprise Value*” means the gross value of the Company (or, in an asset transaction, the gross value of the assets) disregarding any impact on valuation caused by debt or cash. For example, if a buyer ascribes a \$55 million enterprise value to the Company, the Enterprise Value

would be \$55 million notwithstanding the amount of debt or cash of the Company at closing. Accordingly, if at closing, the debt and cash balances of the Company are \$10 million and \$3 million, respectively, the Enterprise Value would be \$55 million even though the amount customarily paid by the buyer would be the Enterprise Value less debt plus cash or \$48 million. Likewise, if the Company's debt and cash levels at closing are \$3 million and \$10 million, respectively, the Enterprise Value would remain \$55 million even though the buyer would customarily pay \$62 million for the Company. In both examples, the Company's Enterprise Value does not change because of debt and cash levels and would be \$55 million in both scenarios.

“Inappropriate Conduct” means (a) Grantee being indicted for, or plea of *nolo contendere* to, a felony (other than a driving violation) or other crime involving fraud, dishonesty, or breach of trust that materially injures the reputation or business of the Company, (b) Grantee's public or consistent drunkenness or illegal use of narcotics that is materially injurious to the reputation or business of the Company or (c) Grantee's failure to comply with the funding commitments of Grantee set forth in Section 8.5(e) of the LLC Agreement and such failure to comply continues for 30 days or more following the date on which Grantee receives notice from the Company that it intends to terminate Grantee's employment with the Company for Inappropriate Conduct if such failure to comply with Section 8.5(e) of the LLC Agreement continues.

“Liquidity Event” means any transaction or series of related transactions (whether such transaction occurs by a sale or exchange of assets, sale or exchange of Units or other Company interests, merger, conversion, recapitalization, other business combination or indirect sale of Units) that, after giving effect thereto, results in (a) the sale of all or substantially all of the assets of the Company or (b) the record holders of the Class A Units prior to such transaction and their Affiliates having record ownership, directly or indirectly after the consummation of such transaction, of less than 50% (determined by the percentage of liquidating distributions the record holders of Units would receive upon a liquidation of the Company or other surviving entity immediately after consummation of such transaction) of the equity securities of the surviving or acquiring company.

“Revenue” means gross revenue of the Company and its subsidiaries, on a combined basis, calculated on an accrual basis and determined in accordance with generally accepted accounting principles in the United States, consistently applied throughout a relevant period.

“Time Unit Termination” means (a) the Company's termination of Grantee's employment with the Company for Inappropriate Conduct or (b) Grantee's voluntarily resignation from employment with the Company for reasons other than death or disability so long as, in the case of clauses (a) and (b), such termination or resignation occurs before the consummation of a Liquidity Event.

ARTICLE II
GRANT, FORFEITURE, AND VESTING

2.1 Grant. The Company hereby grants to Grantee the Incentive Units and shall register Grantee in the books and records of the Company as the sole record holder of the Incentive Units unless and until Transferred in accordance with this Agreement and the LLC Agreement. The Company hereby admits Grantee as Member of the Company as of the date hereof, and Grantee hereby joins in, and agrees that Grantee and the Incentive Units shall be bound by, the LLC Agreement. Each Incentive Unit shall be deemed to be outstanding for all purposes of the LLC Agreement unless and until such Incentive Unit is forfeited to the Company pursuant to Section 2.2. For purposes of determining distribution rights under the LLC Agreement, each Incentive Unit's "In-the-Money Amount" shall be \$112.50.

2.2 Forfeiture.

(a) *Time-Related Forfeiture.* If a Time Unit Termination occurs before August 1, 2012, all of the Time Units shall be forfeited to the Company for no consideration. If a Time Unit Termination occurs on or after August 1, 2012 but before August 1, 2013, 4,445 Time Units shall be forfeited to the Company for no consideration and the remaining 2,223 Time Units shall remain outstanding in the name of Grantee or such other Person who is the record holder of such Units immediately before such Time Unit Termination. If a Time Unit Termination occurs on or after August 1, 2013 but before August 1, 2014, 2,222 of the Time Units shall be forfeited to the Company for no consideration and the remaining 4,446 Time Units shall remain outstanding in the name of Grantee or such other Person who is the record holder of such Units immediately before such Time Unit Termination. None of the Time Units outstanding on August 2, 2014 shall be forfeitable thereafter.

(b) *Stratfor Performance-Related Forfeiture.*

(i) 2,222 Stratfor Performance Units shall be forfeited to the Company on January 1, 2014 for no consideration unless:

(A) Revenues exceed \$15 million for any 12-month period ending on or before December 31, 2013; or

(B) A Liquidity Event is consummated on or before December 31, 2013 and the Enterprise Value of the Company in such transaction equals or exceeds \$25 million; or

(C) A Liquidity Event is consummated on or before December 31, 2013 and the Enterprise Value of the Company in such transaction is less than \$25 million but equals or exceeds \$15 million, but, under the circumstances described in this clause (C), 1,111 Time Units will be forfeited to the Company for no consideration.

(ii) An additional 2,222 Stratfor Performance Units shall be forfeited to the Company on January 1, 2015 for no consideration unless:

(A) Revenues exceed \$20 million for any 12-month period ending on or before December 31, 2014; or

(B) A Liquidity Event is consummated on or before December 31, 2014 and the Enterprise Value of the Company in such transaction equals or exceeds \$40 million; or

(C) A Liquidity Event is consummated on or before December 31, 2014 and the Enterprise Value of the Company in such transaction is less than \$40 million but equals or exceeds \$20 million, but, under the circumstances described in this clause (C), 1,111 Time Units will be forfeited to the Company for no consideration.

(iii) An additional 2,222 Stratfor Performance Units shall be forfeited to the Company on January 1, 2016 for no consideration unless:

(A) Revenues exceed \$25 million for any 12-month period ending on or before December 31, 2015; or

(B) A Liquidity Event is consummated on or before December 31, 2015 and the Enterprise Value of the Company in such transaction equals or exceeds \$50 million; or

(C) A Liquidity Event is consummated on or before December 31, 2015 and the Enterprise Value of the Company in such transaction is less than \$50 million but equals or exceeds \$25 million, but, under the circumstances described in this clause (C), 1,111 Time Units will be forfeited to the Company for no consideration.

(c) *Stratcap Performance-Related Forfeiture.*

(i) 2,222 Stratcap Performance Units shall be forfeited to the Company on January 1, 2014 for no consideration unless the fair market value of the combined assets under management of the Stratcap Funds exceeds \$100 million as of December 31, 2013;

(ii) an additional 2,222 Stratcap Performance Units shall be forfeited to the Company on January 1, 2015 for no consideration unless the fair market value of the combined assets under management of the Stratcap Funds exceeds \$200 million as of December 31, 2014; and

(iii) an additional 2,222 Stratcap Performance Units shall be forfeited to the Company on January 1, 2016 for no consideration unless the fair market value of the combined assets under management of the Stratcap Funds exceeds \$300 million as of December 31, 2015.

ARTICLE III GENERAL PROVISIONS

3.1 Corporate Acts. The existence of the Incentive Units shall not affect in any way the right or power of the Board or the holders of Units of the Company to make or authorize any

adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of debt or equity securities, the dissolution or liquidation of the Company or any sale, lease, exchange, or other disposition of all or any part of its assets or business or any other corporate act or proceeding.

3.2 *Transfer Restrictions.* The Incentive Units may be Transferred to the same extent that Class A Units may be Transferred in accordance with the terms of the LLC Agreement. Any other Transfer of Incentive Units shall require the consent of the Board, which consent shall not be unreasonably withheld. Notwithstanding any provision of this Agreement or the LLC Agreement to the contrary, any Incentive Units that are Transferred shall continue to be subject to all the terms and conditions, including forfeiture, of this Agreement in the hands of the transferee to the same extent such Incentive Units would be subject to all the terms and conditions, including forfeiture, if such Incentive Units continued to be held by Grantee.

3.3 *§83(b) Election.*

(a) Within 30 days after the Effective Date, Grantee shall make, by filing with the Internal Revenue Service a form substantially similar to that attached as Exhibit A, an election authorized by Section 83(b) of the Code with respect to the Incentive Units, and Grantee shall submit to the Company a copy of the statement filed by Grantee to make such election.

(b) Grantee acknowledges and agrees that he is not relying upon any written or oral statement or representation of the Company, its Affiliates, or any of their respective employees, directors, officers, attorneys or agents regarding the tax effects associated with the Incentive Units or the terms of this Agreement. Grantee acknowledges and agrees that in deciding to enter into this Agreement, Grantee is relying on his own judgment and the judgment of the professionals of his choice with whom he has consulted.

3.4 *Certificates.* Ownership of the Incentive Units may, but need not, be evidenced by certificates. Initially, the Incentive Units shall be uncertificated, but the Board may determine to certificate all or any such Units at any time by resolution thereof in accordance with the terms of the LLC Agreement, and any such certificates shall bear such legends as provided for in the LLC Agreement and such additional legends as may be determined by the Company to reflect the terms of this Agreement as well as to comply with applicable securities laws.

3.5 *Notices.* For purposes of this Agreement, notices and all other communications provided for herein shall be given in the same manner as indicated in the LLC Agreement.

3.6 *Entire Agreement; Amendment.* This Agreement supersedes all previous agreements and discussions relating to the same or similar subject matters between Grantee and the Company and constitutes the entire agreement between Grantee and the Company with respect to the subject matter of this Agreement. Without limiting the scope of the preceding sentence, all other understandings and agreements entered into prior to the date hereof, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. Except as provided below, any modification of this Agreement shall be effective only if it is in writing and signed by both Grantee and the Company. Notwithstanding anything in this Agreement to the contrary, if the Company determines that the provisions of

Section 409A of the Code apply to this Agreement and that the terms of this Agreement do not, in whole or in part, satisfy the requirements of such section, then the Company may unilaterally modify this Agreement in such manner as the Company deems appropriate to comply with such section and any regulations or guidance issued thereunder.

3.7 Rule 701 Plan. This Agreement and the LLC Agreement, taken together, are intended to constitute a written compensatory benefit plan within the meaning of Rule 701 of the Securities Act of 1933, as amended.

3.8 Governing Law Arbitration; Severability. This Agreement is governed by and shall be construed in accordance with the laws of the State of Delaware, excluding any conflict-of-laws rule or principle that might refer the governance or the construction of this Agreement to the laws of another jurisdiction. If any provision of this Agreement or the application thereof to any Person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of that provision to other Persons or circumstances is not affected thereby and that provision shall be enforced to the greatest extent permitted by Law. In the event of any dispute, difference, or question arising between the Company and Grantee in connection with this Agreement (including the determination of Revenue or Enterprise Value) or the discussion, negotiation, drafting, or making hereof, or any clause or the construction thereof, or the rights, duties, or liabilities of either party, then and in every such case, unless the parties agree on the appointment of a single arbitrator, the matter of difference shall be referred to one arbitrator appointed by the American Arbitration Association, and the arbitration of such dispute shall be administered in accordance with the employment rules of the American Arbitration Association. The arbitrator shall determine the place or places in Austin, Texas, where meetings are to be held. The arbitrator must base his decision, with respect to the difference before him, on the contents of this Agreement and the relevant facts, and the decision of the arbitrator shall be binding on both parties. The costs of the arbitrator along with other arbitration-specific fees shall be paid in a manner determined by the arbitrator. Nothing herein is or shall be deemed to preclude the Company's resort to the injunctive relief prescribed in this Agreement, including any injunctive relief implemented by the arbitrators pursuant to this Section 3.8.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date.

COMPANY:

STRATFOR ENTERPRISES, LLC

By: Don R. Kendall
Name: DON R. KUY KENDALL
Title: PRESIDENT

GRANTEE:



Shea Morenz

EXHIBIT A

Section 83(b) Election Form

**Election to Include in
Taxable Income in Year of Transfer Pursuant
to Section 83(b) of the Internal Revenue Code**

The undersigned hereby makes an election pursuant to Section 83(b) of the Internal Revenue Code with respect to the property described below and supplies the following information in accordance with the regulations promulgated thereunder:

- 1. The name, address, and taxpayer identification number of the undersigned are:

Name:
Address:

Social Security Number: 458-73-7591

- 2. Description of the property with respect to which the election is being made:

20,000 Incentive Units of Stratfor Enterprises, LLC (the "*Company*").

- 3. The date on which the property was transferred is July 31, 2011.

The taxable year to which this election relates is calendar year 2011.

- 4. Nature of the restrictions to which the property is subject:

6,668 Incentive Units issued to the taxpayer vest over time and 13,332 Incentive Units vest based on certain performance criteria.

- 5. The fair market value at the time of transfer (determined without regard to any restriction other than a restriction which by its terms will never lapse) of the property with respect to which this election is being made is \$0.

- 6. The amount paid by the taxpayer for said property is \$0.

- 7. A copy of this statement has been furnished to the Company as provided in Treasury Regulation Section 1.83-2(d).

Date: August 1, 2011

