

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

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended September 30, 2021

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number 000-23554

**StoneX Group Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

59-2921318  
(I.R.S. Employer  
Identification No.)

230 Park Ave, 10th Floor  
New York, NY 10169  
(Address of principal executive offices) (Zip Code)  
(212) 485-3500  
(Registrant's telephone number, including area code)

Securities registered under Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.01 par value	SNEX	The Nasdaq Stock Market LLC

Securities registered under Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

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

Large Accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of March 31, 2021, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$793.8 million.

As of November 24, 2021, there were 19,947,689 shares of the registrant's common stock outstanding.

**Document Incorporated by Reference**

Certain portions of the definitive Proxy Statement for the Registrant's Annual Meeting of Stockholders to be held on March 2, 2022 are incorporated by reference into Part III of this Annual Report on Form 10-K.

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**StoneX Group Inc.**  
**Annual Report on Form 10-K for the Fiscal Year Ended September 30, 2021**  
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Throughout this document, unless the context otherwise requires, the terms “Company”, “we”, “us” and “our” refer to StoneX Group Inc. and its consolidated subsidiaries.

### Cautionary Statement about Forward-Looking Statements

Certain statements in this report, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives and expected operating results, and the assumptions upon which those statements are based, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of these and other risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the section entitled “Risk Factors” (refer to Part I, Item 1A). We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

## PART I

### Item 1. Business

#### Overview of Business and Strategy

We operate a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service and deep expertise. We strive to be the one trusted partner to our clients, providing our network, product and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. Our businesses are supported by our global infrastructure of regulated operating subsidiaries, our advanced technology platforms and our team of more than 3,200 employees as of September 30, 2021. We believe our client-first approach differentiates us from large banking institutions, engenders trust and has enabled us to establish leadership positions in a number of complex fields in financial markets around the world.

We offer a vertically integrated product suite, beginning with high-touch and electronic access to nearly all major financial markets worldwide, as well as numerous liquidity venues. We deliver this access through the entire lifecycle of a trade, from deep market expertise and on-the-ground intelligence, to best execution and finally post-trade clearing, custody and settlement services. We believe this is a unique product offering outside of the bulge bracket banks, which creates long-term relationships with our clients. Our business model has created a revenue stream that is diversified by asset class, client type and geography, earning commissions and spreads as clients execute transactions across our financial network, monetizing non-trading client activity including interest and fee earnings on client balances as well as earning consulting and fees for our market intelligence and risk management services.

We currently serve more than 45,000 commercial and institutional clients, and over 370,000 retail accounts located in more than 180 countries. We believe we are the third largest independent, non-bank futures commission merchant (“FCM”) in the United States (“U.S.”) as measured by our \$4.4 billion in required client segregated assets at our U.S. FCM as of September 30, 2021, and one of the leading market makers in foreign securities, making markets in approximately 16,000 different foreign securities. We are one of only nine Category One ring dealing members of the London Metals Exchange (the “LME”). Our clients include commercial entities, regional, national and introducing broker-dealers, asset managers, insurance companies, brokers, institutional and individual investors, professional traders, commercial and investment banks as well as government and non-governmental organizations (“NGOs”). We believe our clients value us for our attention to their needs, our expertise and flexibility, our global reach, our ability to provide access to liquidity in hard-to-reach markets and opportunities, and our status as a well-capitalized and regulatory-compliant organization.

We engage in direct sales efforts to seek new clients, with a strategy of extending our services to potential clients that are similar in size and operations to our existing client base. In executing this strategy, we intend to both target new geographic locations and expand the services offered in geographic locations in which we currently operate where there is an unmet demand for our services. In addition, we seek to attract new clients through our Internet websites including StoneX.com, FOREX.com, Cityindex.com, Coininvest.com and Silver-to-go.com. We also pursue new clients through indirect channels including our relationships with introducing brokers, who solicit clients on our behalf, and white label partners, who offer our services to their customers under their own brand. In addition, we selectively pursue small- to medium-sized acquisitions, focusing primarily on targets that satisfy specified criteria, including client-centric organizations that may help us expand into new asset classes, client segments and geographies where we currently have a small or limited market presence.

We believe we are well positioned to capitalize on key trends impacting the financial services sector. Among others, these trends include the impact of increased regulation on banking institutions and other financial services providers; increased consolidation, especially of smaller sub-scale financial services providers and independent securities clearing firms; the

growing importance and complexity of conducting secure cross-border transactions; and the demand among financial institutions to transact with well-capitalized counterparties.

We focus on mitigating exposure to market risk, ensuring adequate liquidity to maintain our daily operations and making non-interest expenses variable, to the greatest extent possible. Our strategy is to utilize a centralized and disciplined process for capital allocation, risk management and cost control, while delegating the execution of strategic objectives and day-to-day management to experienced individuals. This requires high quality managers, a clear communication of performance objectives and strong financial and compliance controls. We believe this strategy will enable us to build a more scalable and significantly larger organization that embraces an entrepreneurial approach to business, supported and underpinned by strong centralized financial and compliance controls.

### ***Available Information***

Our internet address is [www.stonex.com](http://www.stonex.com). Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, statements of changes in beneficial ownership and press releases are available free of charge in the Investor Relations section of this website. Our website also includes information regarding our corporate governance, including our Code of Ethics, which governs our directors, officers and employees. The content of our website is not incorporated by reference into this report or any other filings with the Securities and Exchange Commission (“SEC”).

### ***Capabilities***

We provide our clients access to financial markets and liquidity sources globally to enable them to efficiently hedge their risk and/or gain exposure. Our financial network connects over 45,000 commercial and institutional clients and over 370,000 retail clients to 36 derivatives exchanges, most global securities exchanges and over 15,000 over-the-counter markets.

### ***Execution***

We provide trade execution services to our clients via both high-touch service and electronically through a wide variety of technology platforms that connects them to markets across the globe. Asset and product types include listed futures and options on futures, equities, mutual funds, equity options, foreign currencies, corporate, government and municipal bonds and unit investment trusts.

### ***Clearing***

We provide competitive and efficient clearing on all major futures exchanges globally. In addition, we act as an independent full-service provider of clearing, custody, research and security-based lending products in the global securities markets. We provide multi-asset prime brokerage, outsourced trading and custody, as well as self-clearing and introduced clearing services for hedge funds, mutual funds and family offices. We provide prime brokerage services in major foreign currency pairs and swap transactions to institutional clients. Additionally, we provide clearing of foreign exchange transactions, in addition to clearing of a wide range of over-the-counter (“OTC”) products.

### ***OTC / Market-Making***

We offer clients access to the OTC markets for a broad range of traded commodities, global securities, foreign currencies, contracts for difference (“CFDs”) and interest rate products. For clients with commodity price and financial risk, our customized and tailored OTC structures help mitigate those risks by integrating the processes of product design, execution of the underlying components of the structured risk product, transaction reporting and valuation.

We provide market-making and execution in a variety of financial products including commodity derivatives, unlisted American Depositary Receipts (“ADRs”) and Global Depositary Receipts (“GDRs”), foreign ordinary shares, and foreign currencies. In addition, we are an institutional dealer in fixed income securities including U.S. Treasury, U.S. government agency, agency mortgage-backed, asset-backed, corporate, emerging market, and high-yield securities.

### ***Global Payments***

We have built a scalable platform to provide end-to-end global payment solutions to banks and commercial businesses, as well as charities, NGOs and government organizations. We offer payments services in more than 140 currencies. In this business, we primarily act as a principal in buying and selling foreign currencies on a spot basis deriving revenue from the difference between the purchase and sale prices. Through our comprehensive platform and our commitment to client service, we provide simple and fast execution, delivering funds in any of these countries quickly through our global network of approximately 375 correspondent banking relationships.

### ***Advisory Services***

We provide value-added advisory services and high-touch trade execution across a variety of financial markets, including commodities, foreign currencies, interest rates, institutional asset management and independent wealth management. For commercial clients with exposure to commodities, foreign currencies and interest rates, we work through our proprietary

Integrated Risk Management Program (“IRMP®”) to systematically identify and quantify their risks and then develop strategic plans to effectively manage these risks with a view to protecting their margins and ultimately improving their bottom lines.

We also participate in the underwriting and trading of municipal securities in domestic markets as well as asset-backed securities in our Argentinian operations. Through our asset management activities, we leverage our specialist expertise in niche markets to provide institutional investors with tailored investment products. Through our independent wealth management business, we provide advisory services to the growing retail investor market.

#### *Market Intelligence*

Our Market Intelligence platform provides our clients with access to deep data and incisive commentary from our expert traders and analysts from across our global network. This platform focuses on providing local, actionable insights and detailed intelligence from every market we trade, through the lens of our professionals, who leverage first-hand knowledge and personal connections to deliver a unique advantage for our clients.

#### *Physical Trading*

We act as a principal to support the needs of our clients in a variety of physical commodities, primarily precious metals, as well as across the commodity complex, including energy commodities, grains, oil seeds, cotton, coffee, cocoa, edible oils and feed products. Through these activities, we have the ability to offer a simplified risk management approach to our commercial clients by embedding more complex hedging structures as part of each physical contract to provide clients with enhanced price risk mitigation. We also offer clients efficient off-take or supply services, as well as logistics management.

#### **Operating Segments**

Our business activities are managed as operating segments and organized into reportable segments as follows:

##### **Commercial**

We offer our commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing of exchange-traded and OTC products, voice brokerage, market intelligence and physical trading as well as commodity financing and logistics services. We believe our ability to provide these high-value-added products and services, differentiates us from our competitors and maximizes the opportunity to retain our clients.

Our risk management consulting services are designed to quantify and monitor commercial entities’ exposure to commodity and financial risk. Upon assessing this exposure, we develop a plan to control and hedge these risks with post-trade reporting against specific client objectives. Our clients are assisted in the execution of their hedging strategies through a wide range of products from listed exchange-traded futures and options, to basic OTC instruments that offer greater flexibility, to structured OTC products designed for customized solutions.

Our execution and clearing services span virtually all traded commodity markets, with the largest concentrations in agricultural and energy commodities (consisting primarily of grains, energy and renewable fuels, coffee, sugar, cotton, and food service) as well as precious and base metals products. We also provide execution of foreign currency forwards and options and interest rate swaps as well as a wide range of structured product solutions to our commercial clients who are seeking cost-effective hedging strategies. Generally, our clients direct their own trading activity, and our risk management consultants do not have discretionary authority to transact trades on behalf of our clients.

We provide a full range of physical trading capabilities in precious metals markets providing our clients the ability to purchase physical gold and other precious metals, in multiple forms, and in denominations of their choice. In our precious metals trading activities, we act as a principal, committing our own capital to buy and sell precious metals on a spot and forward basis.

In addition, we act as a principal to facilitate financing, structured pricing and logistics services to clients across the commodity complex, including energy commodities, grains, oil seeds, cotton, coffee, cocoa, edible oils and feed products. We provide financing to commercial commodity-related companies against physical inventories.

We generally mitigate the price risk associated with commodities held in inventory through the use of derivatives. We do not elect hedge accounting under accounting principles generally accepted in the United States of America (“U.S. GAAP”) in accounting for this price risk mitigation.

Within this segment we organize our marketing efforts into client industry product lines including agricultural, energy and renewable fuels, metals and various other commodities servicing commercial producers, end users and intermediaries around the world.

##### *Competitive Environment - Commercial Segment*

The Commercial industry comprises the activities associated with the identification, management, hedging and monitoring of various commodity and financial risks faced by commercial entities in their business cycles, including risks related to interest rates, foreign exchange, agricultural commodities, energy and renewable fuels, industrial metals, precious metals, and other

physical commodities.

Industry participants include producers/end-users, wholesalers and merchants, corporations, introducing brokers, grain elevators, merchandisers, importer/exporter and market intermediaries such as FCMs and swaps dealers, and liquidity venues such as commodity exchanges, financial exchanges and OTC markets. Commercial entities face a variety of risks, including risks related to commodity input pricing, supply chain management and inventory financing, interest rate changes, exchange rate changes, and price and quantity volatility in their outputs. Market intermediaries facilitate the identification, management and hedging of commodity and financial risks on behalf of commercial entities by designing and executing hedging programs through the use of various hedging instruments, including futures and options traded on exchanges or plain vanilla and more complex structured products traded bi-laterally on the OTC markets. Commercial entities occasionally prefer to manage exposure to physical commodities through direct purchase and sale agreements for which they may utilize the services of physical commodity merchants.

The need for, and volume of, client hedging activity is driven by commodity supply and demand dynamics, quantity and quality of commodity production and consumption, both locally and globally, trading of various commodities, and economic and geopolitical factors. In addition, the price levels and price volatility of various commodities generally increase the need of commercial clients to hedge. FCMs, swaps dealers, physical commodity merchants and other intermediaries and service providers create value for commercial clients by managing risks across the clients' operations, allowing them to focus on their core expertise. In addition, commercial clients often face financial risks such as interest rate and exchange rate volatility, which these intermediaries help to mitigate. Physical commodity merchants serve clients by providing trading, hedging, inventory financing and logistics services.

Competitors in the Commercial segment include independent (non-bank) FCMs, FCMs affiliated with large commodity producers, global banks and independent and bank-owned swaps dealers. Although global banks represent the vast majority of client segregated assets, they tend to focus on larger clients. Independent, non-bank FCMs tend to focus on serving small- to mid-sized commercial clients where they face less competition from the global banks. Over the last 12 years since the financial crisis, the global banks have increased the minimum size of clients they are willing to serve, in part due to decreasing profit margins often driven by regulation, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") in the United States and the revised Markets in Financial Instruments Directive ("MiFID II") and accompanying regulation, Markets in Financial Instruments Regulation ("MiFIR") in Europe. This has presented an opportunity for smaller players in this industry, such as us, to acquire small and mid-sized clients and take market share.

We strive to increase market share and attract new clients that are underserved by the global banks, capitalizing on our position as one of few publicly listed mid-sized financial services companies offering our clients futures and options products through our well-capitalized independent FCM, structured OTC products through our swaps dealer as well as our physical commodity offerings. We have also taken advantage of opportunities to consolidate sub-scale competitors into our Commercial businesses.

### **Institutional**

We provide institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, we originate, structure and place debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

### *Securities*

We provide value-added solutions that facilitate cross-border trading in equity securities and believe our clients value our ability to manage complex transactions, including foreign exchange, utilizing our local understanding of market convention, liquidity and settlement protocols around the world. Our clients include U.S.-based regional and national broker-dealers and institutions investing or executing client transactions in international markets and foreign institutions seeking access to the U.S. securities markets. We are one of the leading market makers in foreign securities, making markets in more than 16,000 ADRs, GDRs and foreign ordinary shares, of which over 7,000 trade in the OTC market. In addition, we will, on request, make prices in more than 10,000 unlisted foreign securities. We are also a broker-dealer in Argentina and Brazil, where we are active in providing institutional executions in the local capital markets.

We act as an institutional dealer in fixed income securities, including U.S. Treasury, U.S. government agency, agency mortgage-backed and asset-backed securities as well as investment grade, high yield, convertible and emerging market debt to a client base including asset managers, commercial bank trust and investment departments, broker-dealers and insurance companies.

We are an independent full-service provider to introducing broker-dealers ("IBD's") of clearing, custody, research, syndicated and security-based lending products and services, including a proprietary technology platform which offers seamless connectivity to ensure a positive client experience through the clearing and settlement process. We believe we are one of the

leading mid-market clearers in the securities industry, with approximately 80 correspondent clearing relationships with over \$22 billion in assets under management or administration as of September 30, 2021.

We operate an asset management business in which we earn fees, commissions and other revenues for management of third party assets and investment gains or losses on our investments in funds and proprietary accounts managed either by our investment managers or by independent investment managers.

#### *Listed Derivatives*

We provide competitive and efficient clearing and execution in all major futures exchanges globally. Through our platforms, client orders are accepted and directed to the appropriate exchange for execution. We then facilitate the clearing of clients' transactions. Clearing involves the matching of clients' trades with the exchange, the collection and management of client margin deposits to support the transactions, and the accounting and reporting of the transactions to clients.

As of September 30, 2021, our U.S. FCM held \$4.4 billion in required client segregated assets, which we believe makes us the third largest independent, non-bank FCM in the U.S., as measured by required client segregated assets. We seek to leverage our capabilities and capacity in clearing to financial institutions, institutional trading firms, professional traders and introducing brokers as well as offering facilities management or outsourcing solutions to other FCM's. Through our London-based Europe, Middle East and Africa ("EMEA") oil voice brokerage business, we provide brokerage services across the fuel, crude and middle distillates markets to clients throughout EMEA.

#### *Foreign Exchange*

We provide prime brokerage foreign exchange ("FX") services to financial institutions and professional traders. We provide our clients with the full range of OTC products, including 24-hour a day execution of spot, forwards and options as well as non-deliverable forwards in both liquid and exotic currencies.

#### *Competitive Environment - Institutional Segment*

The industry in which we provide services within our Institutional segment comprises activities associated with the trading of, and investment in, various financial assets, including equity and debt securities, commodities, foreign currencies, interest rates, and derivatives, both exchange-traded and OTC. This industry also includes various services provided to participants in the financial markets, which allow participants access to liquidity and execution venues, as well as clearing and settlement of transactions. Industry participants include institutional and retail investors, banks, insurance companies, fund managers, hedge funds, investment advisers, proprietary trading firms, commodity trading advisors and commodity pool operators, and foreign institutions and investors seeking access to U.S. markets, as well as various market intermediaries such as market makers, regional and national broker-dealers, independent broker-dealers, FCMs, and investment banks and liquidity venues, such as securities and derivatives exchanges and OTC marketplaces.

Trading and investing activity across asset classes is driven by growth in wealth and savings, investors' asset allocation and diversification needs, including across geographies, and return objectives, risk management needs and the availability of speculative arbitrage opportunities. Volatility in asset prices generally drives increased trading activity and increased demand for execution and clearing services.

Broker-dealers, FCMs, investment banks and other intermediaries create value for institutional clients by facilitating client access to various financial markets, including securities and derivatives exchanges, proprietary sources of liquidity, OTC markets, other institutions and international markets. Market intermediaries can act as market-makers or principal traders that facilitate client trading activity by matching orders internally. Market intermediaries can also act as agents that accept orders, direct them to the appropriate market and facilitate the clearing of client transactions, which involves matching client trades with the exchange, collecting and managing client margin deposits to support the transactions, and accounting and reporting these transactions to clients.

Certain market intermediaries, predominantly investment banks, also provide advisory services, securities underwriting, loan syndications, security-based lending products and services, custodial services, investment research products, asset management services and technology platforms for client connectivity.

Competitors in the securities and clearing and execution segments include global banks, institutional broker-dealers, correspondent clearers, independent broker-dealers, clearing FCMs and market-makers. We compete to secure clients based on quality of execution and client service, global access and local market expertise, and the breadth of our product offerings.

Regulatory burdens for FCMs and broker-dealers have increased since the financial crisis, which has led to increased complexity and capital requirements that have disproportionately affected smaller firms, driving consolidation. We have benefited from these trends and expect them to continue, and we seek opportunities to participate in further industry consolidation.



## **Retail**

We provide our retail clients around the world access to over 15,000 global financial markets, including spot foreign exchange, both financial trading and physical investment in precious metals, as well as CFDs, which are investment products with returns linked to the performance of underlying assets. In addition, our independent wealth management business offers a comprehensive product suite to retail investors in the United States.

### *Retail Forex*

We are a global provider of trading services and solutions in the global financial markets, including spot foreign exchange (“forex”), precious metals trading, as well as CFDs, which are investment products with returns linked to the performance of underlying assets. We offer CFDs on currencies, commodities, indices, individual equities, cryptocurrencies, bonds, options and interest rate products.

We seek to attract and support our customers through direct and indirect channels. Our primary direct channels for our retail segment are our Internet websites, FOREX.com and Cityindex.com, which are available in multiple languages, including English, Chinese, Japanese and Arabic. Our indirect channels include our relationships with introducing brokers, who solicit customers on our behalf, and white label partners, who offer our trading services to their customers under their own brand.

Our award-winning proprietary trading technology provides our customers with an enhanced customer experience and multiple ways to trade and manage their accounts, tailored to their level of experience and preferred mode of access. In addition, we selectively offer third party trading tools that we believe complement our proprietary offerings. We believe that our proprietary trading technology is a significant competitive advantage because we have the ability to adapt quickly to our customers’ changing needs.

We have longstanding relationships with a large number of institutional liquidity providers, as well as access to multiple liquidity venues. They allow us to offer our customers superior liquidity and more competitive pricing with tighter bid/offer spreads than many of our competitors. In addition, we have developed a proprietary pricing engine that aggregates quotes from our liquidity sources to ensure that our prices accurately reflect current market price levels and allow us to provide our customers with fast, accurate trade execution.

We have proprietary technology to handle numerous aspects of account onboarding and customer service including the account opening and customer verification process, fast online account funding and withdrawals with a wide variety of automated payment methods, and on-demand delivery of customer information, such as account statements and other account-related reporting. We also offer account opening and funding functions on our mobile trading applications in order to provide a superior experience to the large number of customers who trade primarily through their mobile devices. Given the highly regulated and global nature of our business, these processes are customized to each regulatory jurisdiction in which we operate, and are further tailored to customer needs and preferences in specific countries in order to make it easier for clients in these countries to open accounts with us and then to fund and trade in those accounts.

In connection with our retail business, we look to acquire new customers as cost-efficiently as possible, primarily through online marketing efforts such as advertising on third-party websites, search engine marketing and affiliate marketing. Our experienced in-house marketing team creates highly targeted online campaigns tailored to experienced traders, as well as marketing programs and materials designed to support and educate newer traders. We use sophisticated tracking and measurement techniques to monitor the results of individual campaigns and continually work to optimize our overall marketing results.

We also work with introducing brokers in order to expand our customer base. We work with a variety of different types of introducing brokers, ranging from small, specialized firms that specifically identify and solicit customers interested in forex and CFD trading, to larger, more established financial services firms.

### *Independent Wealth Management*

Our independent broker/dealer, SA Stone Wealth Management Inc. (“SA Stone”), member FINRA/SIPC, together with its affiliated SEC-registered investment advisor, SA Stone Investment Advisors Inc., provides an integrated platform of technology, comprehensive wealth management and investment services to registered representatives, investment advisor representatives and registered investment advisors nationwide. The firm supports more than 500 independent professionals with best-in-class service and products.

### *Retail Precious Metals*

Our physical retail precious metals business is comprised of the acquisition of Coininvest GmbH and European Precious Metal Trading GmbH, completed in April 2019. Through our websites Coininvest.com and Silver-to-go.com we offer clients the ability to purchase physical gold and other precious metals, in multiple forms, including coins and bars, in denominations of their choice, to add to their investment portfolios.

### *Competitive Environment - Retail*

The market for our retail services is rapidly evolving and highly competitive. Our competitors vary by region in terms of regulatory status, breadth of product offering, size and geographic scope of operations. In the retail forex industry, we compete with both regulated forex firms as well as with global multi-asset trading firms. In wealth management, our competitors vary from large integrated banks and on-line brokerage firms to smaller regional registered investment advisory firms, where competition is driven by reduced commission rates, continue development of online trading platforms and applications as well as customer service.

### **Global Payments**

We provide customized foreign exchange and treasury services to banks and commercial businesses as well as charities and non-governmental and government organizations. We provide transparent pricing and offer local currency payments services in more than 185 countries and 140 currencies, which we believe is more than any other payments solutions provider.

Our proprietary FXecute global payments platform is integrated with a financial information exchange (“FIX”) protocol. This FIX protocol is an electronic communication method for the real-time exchange of information, and we believe it represents one of the first FIX offerings for cross-border payments in exotic currencies. FIX functionality allows clients to view real time market rates for various currencies, execute and manage orders in real-time, and view the status of their payments through the easy-to-use portal.

Additionally, as a member of the Society for Worldwide Interbank Financial Telecommunication (“SWIFT”), we are able to offer our services to large money center and global banks seeking more competitive international payments services. In addition, we operate a fully accredited SWIFT Service Bureau which facilitates cross-border payments and acceptance transactions for financial institutions, trade networks and corporations.

Through this single comprehensive platform and our commitment to client service, we believe we are able to provide simple and fast execution, ensuring delivery of funds in local currency to any of these countries quickly through our global network of approximately 375 correspondent banks. In this business, we primarily act as a principal in buying and selling foreign currencies on a spot basis. We derive revenue from the difference between the purchase and sale prices.

We believe our clients value our ability to provide exchange rates that are significantly more competitive than those offered by large international banks, a competitive advantage that stems from our years of foreign exchange expertise focused on smaller, less liquid currencies.

### *Competitive Environment - Global Payments*

Increasing globalization and growth of international trade, as well as the need of corporations, institutions and individuals to move money across borders efficiently, have driven growing activity in the global payments industry. As the world becomes increasingly interconnected, corporations require the ability to cost-effectively exchange foreign currencies and to send and receive payments from clients and suppliers. NGOs also demand cross-border payment services as they attempt to bring funding, goods and services to their target geographies and recipients at the lowest possible cost. Even banks require lower cost implementation of foreign exchange transactions, as they are otherwise dependent on correspondent banks, which may subject such transactions to expensive and opaque pricing.

Volume growth in the global payments market has been steady, driving revenue growth for cross-border payments providers. Increasingly, this volume growth comes from transactions to emerging economies, benefiting those few providers such as us who have a strong competitive position in those emerging economies and an extensive correspondent bank network that would be difficult to replicate. As reported in the Boston Consulting Group 2019 Global Payments Report, by 2028, emerging economies are expected to provide over 55% of total payments revenue.

The global payments market has historically been dominated by large Organization for Economic Co-operation and Development (“OECD”) banks that provide G20 to non-G20 foreign exchange rates to clients. Such banks, however, are reliant on their correspondent banking network for foreign exchange rates, which often results in uncompetitive rates and a lack of transparency. These issues are further exacerbated by a lack of uniform regulation in the B2B global payments sector, with no coordinated regulatory framework, even among significant OECD countries.

We believe that the general lack of transparency in bank offerings in the global payments market with regard to fees and exchange rates, the banks’ often more expensive services, as well as the lack of systematic regulation, have opened opportunities for competitors in this market. As a result, the fast-growing space has attracted significant investor interest. Independent providers have entered the market, leveraging technology to lower client acquisition costs and providing an enhanced client experience through online platforms. In the global payments market, we believe we are one of those independent providers and disrupters offering significant value to our bank, corporate and NGO/charities clients, providing competitive and transparent payments solutions in particular for non-G20 currencies.

## **Acquisitions during Fiscal Year 2021**

### **Chasing Returns Limited**

On August 3, 2021, the Company's wholly owned subsidiary, StoneX Netherlands B.V., acquired the majority of stock in Chasing Returns Limited, based in Ireland. Chasing Returns Limited specializes in financial behavioral science designed to assist traders in analyzing trends and decision making. The Company intends to use the capabilities of Chasing Returns Limited to enhance the Company's offerings to its retail clients.

### **EncoreFx Ltd.**

Effective December 22, 2020, the Company acquired EncoreFx Inc., which is incorporated in the State of Washington, and is registered as a Money Services Business with FinCEN, having 33 state money transmitter licenses and whose primary operations include providing foreign-currency exchange risk management and global payment solutions services to small and medium sized businesses. Subsequent to the acquisition, the company was renamed as StoneX Payment Services Ltd.

## **Acquisitions during Fiscal Year 2020**

### **Gain Capital Holdings, Inc.**

On July 31, 2020, the Company acquired Gain Capital Holdings, Inc. ("Gain"), a global provider of trading services and solutions to institutional and retail investors, specializing in both OTC products and exchange-traded futures and options on futures. Gain provides its clients with access to a diverse range of global OTC financial markets, including spot foreign exchange, precious metals, and contracts for a difference (where permitted). As a result of the acquisition, the Company added a new digital platform to its global financial network, significantly expanded its offerings to retail clients, as well as added a complementary exchange-traded futures and options on futures business.

## **Regulation**

### **Overview**

Our business and the industries in which we operate are highly regulated. Our operating subsidiaries are regulated in a number of jurisdictions including the U.S., the United Kingdom ("U.K."), Luxembourg, Germany, Cyprus, Argentina, Brazil, Dubai, Nigeria, Hong Kong, Singapore, Japan, Australia, Canada and the Cayman Islands. Government regulators and self-regulatory organizations oversee the conduct of our business in many ways, and a number perform regular examinations to monitor our compliance with applicable statutes, regulations and rules. These statutes, regulations and rules cover all aspects of our business, including:

- maintaining specified minimum amounts of capital and limiting withdrawals of funds from our regulated operating subsidiaries;
- the treatment of customer assets, including custody, control, safekeeping and, in certain countries, segregation of our customer funds and securities;
- the methods by which customers can fund accounts with us;
- sales and marketing activities, including our interaction with, and solicitation of, customers;
- disclosures to customers, including those related to product risks, self-dealing and material conflicts of interest;
- the collection, use, transfer and protection of customer personal information;
- anti-money laundering practices;
- recordkeeping and reporting requirements; and
- continuing education and licensing requirements for our employees, and supervision of the conduct of directors, officers and employees.

In some jurisdictions in which we offer our products and services, we are not subject to regulation because there is no established regulatory regime that covers our products and services or due to the manner in which we offer our products and service. We consult with legal counsel in jurisdictions in which we operate on a regular basis, or where we have a material concentration of customers, as to whether we have the required authorizations, licenses or approvals or whether we may conduct our business cross-border with residents in that jurisdiction without obtaining local regulatory authorization, approval or consent. To the extent that we wish to serve customers in a jurisdiction in which we determine licensing or registration is required, we may also elect to direct such customers to a licensed white label or other partner, rather than pursuing licensing or registration ourselves.

Though we conduct our business in a manner which we believe complies with applicable local law, regulators may assert authority over activities that they deem to take place within the jurisdiction they regulate, and new laws, rules or regulations may be enacted that change the regulatory landscape and result in new, or clarify preexisting, registration or licensing requirements.

The primary responsibility for ensuring that we maintain compliance with all applicable regulatory requirements is vested in our legal and compliance departments. In addition, our legal and compliance departments are responsible for our ongoing training and education programs, supervision of our personnel required to be licensed by one or more of our regulators, review of sales, marketing and other communications and other related functions. Also where appropriate our sales employees are licensed pursuant to applicable regulation.

Failure to comply with our regulatory requirements could result in a variety of sanctions, including, but not limited to, revocation of applicable licenses and registrations, restrictions or limitations on our ability to carry on our business, suspensions of individual employees and significant fines.

### ***U.S. Regulation***

The commodities industry in the U.S. is subject to extensive regulation under federal law. We are required to comply with a wide range of requirements imposed by the Commodity Futures Trading Commission (the “CFTC”) and the National Futures Association (the “NFA”). Similarly, the securities industry in the U.S. is subject to extensive regulation under federal and state securities laws. We must comply with a wide range of requirements imposed by the SEC, state securities commissions, the Municipal Securities Rulemaking Board (“MSRB”) and the Financial Industry Regulatory Authority (“FINRA”). These regulatory bodies safeguard the integrity of the financial markets and protect the interests of investors in these markets. They also impose minimum capital requirements on regulated entities.

In connection with our wealth management business, one of our subsidiaries, SA Stone Investment Advisors Inc., is registered with, and subject to oversight by, the SEC as an investment adviser. As such, in its relations with its advisory clients, SA Stone Investment Advisors Inc. is subject to the fiduciary and other obligations imposed on investment advisers under the Investment Advisers Act of 1940 and the rules and regulations promulgated thereunder, as well as various state securities laws. These laws and regulations include obligations relating to, among other things, custody and management of client assets, marketing activities, self-dealing and full disclosure of material conflicts of interest, and generally grant the SEC and other supervisory bodies administrative powers to address non-compliance.

The CFTC and NFA also regulate our forex and futures trading activities. Historically, the principal legislation covering our U.S. forex business was the Commodity Exchange Act, which provides for federal regulation of all commodities and futures trading activities. In recent years, as is the case of other companies in the financial services industry, our forex business has been subject to increasing regulatory oversight. The CFTC Reauthorization Act of 2019, which grants the CFTC express authority to regulate the retail forex industry, includes a series of additional rules which regulate various aspects of our business, including additional risk disclosures to retail forex customers, further limitations on sales and marketing materials and additional rules and interpretive notices regarding NFA mandated Information Systems Security Programs, including training and notification requirements for cybersecurity incidents.

### ***Net Capital Requirements***

Many of our subsidiaries are regulated and subject to minimum and/or net capital requirements. All of our subsidiaries are in compliance with their capital regulatory requirements as of September 30, 2021. Additional information on our subsidiaries subject to significant net capital and minimum net capital requirements can be found in Note 22 to the Consolidated Financial Statements.

### ***Segregated Client Assets***

We maintain client segregated deposits from our clients relating to their trading of futures and options on futures on U.S. commodities exchanges, making it subject to CFTC regulation 1.20, which specifies that such funds must be held in segregation and not commingled with the firm’s own assets. We maintain acknowledgment letters from each depository at which we maintain client segregated deposits in which the depository acknowledges the nature of funds on deposit in the account. In addition, CFTC regulations require filing of a daily segregation calculation which compares the assets held in clients segregated depositories (“segregated assets”) to the firm’s total segregated assets held on deposit from clients (“segregated liabilities”). The amount of client segregated assets must be in excess of the segregated liabilities owed to clients and any shortfall in such assets must be immediately communicated to the CFTC.

In addition, we are subject to CFTC regulation 1.25, which governs the acceptable investment of client segregated assets. This regulation allows for the investment of client segregated assets in readily marketable instruments including U.S. Treasury securities, municipal securities, government sponsored enterprise securities, certificates of deposit, commercial paper and corporate notes or bonds which are guaranteed by the U.S. under the Temporary Liquidity Guarantee Program, interest in money market mutual funds, and repurchase transactions with unaffiliated entities in otherwise allowable securities. We predominately invest our client segregated assets in U.S. Treasury securities and interest-bearing bank deposits.

In addition, in our capacity as a securities clearing broker-dealer, we clear transactions for clients and certain proprietary accounts of broker-dealers (“PABs”). In accordance with Rule 15c3-3 of the Securities Exchange Act of 1934 (“Rule 15c3-3”), we maintain special reserve bank accounts (“SRBAs”) for the exclusive benefit of securities clients and PABs.

In addition, several of our foreign subsidiaries are subject to certain business rules, including those that govern the treatment of client money and other assets which under certain circumstances for certain classes of client must be segregated from the firm's own assets.

#### *Secured Client Assets*

We maintain client secured deposits from our clients relating to their trading of futures and options on futures traded on, or subject to the rules of, a foreign board of trade, making it subject to CFTC Regulation 30.7, which requires that such funds must be carried in separate accounts in an amount sufficient to satisfy all of our current obligations to clients trading foreign futures and foreign options on foreign commodity exchanges or boards of trade, which are designated as secured clients' accounts.

#### *Retail Forex Client Assets*

As a Retail Foreign Exchange dealer ("RFED") registered with the CFTC and member of NFA, we maintain deposits from clients relating to their trading of OTC foreign exchange contracts whereby we act as counterparty to client trading activity making it subject to CFTC regulation 5.8, which specifies that such funds must be held in designated accounts at qualifying institutions in the United States or money center countries as defined by CFTC regulation 1.49. In addition, CFTC regulations require filing of a daily retail forex obligation calculation which compares the assets held for clients with qualifying institutions ("retail forex assets") to the firm's total obligation to retail forex customers, also known as net liquidating value ("retail forex liabilities"). The amount of retail forex assets must be in excess of the retail forex liabilities owed to clients and any shortfall in such assets must be immediately communicated to the CFTC.

#### *Dodd-Frank*

Like other companies in the financial services industry, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") provides for a number of significant provisions affecting our business. Notably, the Dodd-Frank Act requires the registration of swap dealers with the CFTC and provides framework for:

- swap data reporting and record keeping on counterparties and data repositories;
- centralized clearing for swaps, with limited exceptions for end-users;
- the requirement to execute swaps on regulated swap execution facilities;
- the imposition on swap dealers to exchange margin on uncleared swaps with counterparties; and
- the requirement to comply with new capital rules.

We are a CFTC provisionally registered swap dealer, whose business is overseen by the NFA. During 2016, CFTC 23.154, Calculation of Initial Margin rules came into effect, imposing new requirements on registered swap dealers and certain counterparties to exchange initial margin, with phased-in compliance dates, under which we fall in the final compliance date tier recently extended to September 2022. Additionally, the CFTC finalized the proposed net capital rules applicable to swap dealers on July 22, 2020, with the new rules effective October 6, 2021.

With respect to our retail OTC business, the Dodd-Frank Act includes:

- rules that require us to ensure that our customers residing in the United States have accounts open only with our U.S. registered NFA-member operating entity; and
- rules that essentially require all retail transactions in any commodity product other than a retail foreign currency transaction that is traded on a leveraged basis to be executed on an exchange, rather than OTC.

Certain provisions of the Dodd-Frank Act have yet to be implemented and we will continue to monitor all applicable developments in the ongoing implementation of the Dodd-Frank Act. The legislation and implementing regulations affect not only us, but also our clients and counterparties.

#### *OFAC*

The U.S. maintains various economic sanctions programs administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"). The OFAC administered sanctions take many forms, but generally prohibit or restrict trade and investment in and with sanctions targets, and in some cases require blocking of the target's assets. Violations of any of the OFAC-administered sanctions are punishable by civil fines, criminal fines, and imprisonment. We believe that we have implemented, and that we maintain, appropriate internal practices, procedures and controls to enable us to comply with applicable OFAC requirements.

#### *U.S. Patriot Act*

We are subject to a variety of statutory and regulatory requirements concerning our relationships with customers and the review and monitoring of their transactions. Specifically, we are subject to the Uniting and Strengthening America by Providing

Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “USA PATRIOT Act”), which requires that we maintain a comprehensive anti-money laundering (“AML”) program, a customer identification program (CIP), designate an AML compliance officer, provide specified employee training and conduct an annual independent audit of our AML program. The USA PATRIOT Act seeks to promote cooperation among financial institutions, regulators and law enforcement entities in identifying parties that may be involved in terrorism or money laundering. Anti-money laundering laws outside of the U.S. contain similar provisions. We believe that we have implemented, and that we maintain, appropriate internal practices, procedures and controls to enable us to comply with the provisions of the USA PATRIOT Act and other anti-money laundering laws.

#### *FINCEN CDD Final Rule*

Additionally, our US legal entities qualifying as covered financial institutions are subject to the Customer Due Diligence Rule (“the CDD Rule”), which clarifies and strengthens customer due diligence requirements. This applies to our US brokers dealer(s) in securities, futures commission merchants, and introducing brokers in commodities. The CDD Rule requires these covered financial institutions to identify and verify the identity of the natural persons (known as beneficial owners) of legal entity customers who own, control, and profit from companies when those companies open accounts.

The CDD Rule has four core requirements. It requires covered financial institutions to establish and maintain written policies and procedures that are reasonably designed to:

- identify and verify the identity of customer;
- identify and verify the identity of the beneficial owners of companies opening accounts;
- understand the nature and purpose of customer relationships to develop customer risk profiles; and
- conduct ongoing monitoring to identify and report suspicious transactions and, on a risk basis, to maintain and update customer information.

With respect to the requirement to obtain beneficial ownership information, financial institutions will have to identify and verify the identity of any individual who owns 25 percent or more of a legal entity, and an individual who controls the legal entity. A Beneficial Ownership Form is also required. These requirements are applied to customers which meet the CDD Rule Criteria.

#### *European and United Kingdom Regulation*

The Financial Conduct Authority (“FCA”), the regulator of the financial services industry in the U.K., regulates several of our subsidiaries as Markets in Financial Instruments Directive (“MiFID”) investment firms under part IV of the Financial Services and Markets Act 2000. Applicable regulations impose regulatory capital, as well as conduct of business, governance, and other requirements on these entities. The client assets (“CASS”) rules include those that govern the handling of client money and other assets which, under certain circumstances must be segregated from the firm’s own assets.

#### *CFD’s referencing cryptocurrencies*

The FCA has adopted rules to ban the sale of CFDs referencing cryptocurrencies to retail consumers, which became effective in January 2021.

#### *Client Money Rules*

We are subject to the FCA’s Client Money rules, under which we are required to:

- maintain adequate segregation of client funds;
- maintain adequate records in order to identify appropriate client details;
- have adequate organizational arrangements in place to minimize the risk that client money may be paid for by the account of a client whose money has not yet been received by us;
- undertake daily internal and external client money reconciliations within an appropriate risk and control framework; and
- appoint an individual who is responsible for CASS oversight.

#### *Anti-Money Laundering and Sanctions*

As in the U.S., our U.K. and European entities are subject to statutory and regulatory requirements concerning relationships with customers and the review and monitoring of their transactions. Regulated firms in both the U.K. and in the European Union (“E.U.”) must have robust governance, effective risk procedures and adequate internal control mechanisms to manage the exposure to financial crime risk. The measures require the U.K. and E.U. entities to verify customer identity and understand

the nature and purpose of the proposed relationship on the basis of documents, data or information obtained from a reliable and independent source; and review and monitor their customer's transactions and activities to identify anything suspicious.

Our U.K. and E.U. entities take a risk-based approach and senior management are responsible for addressing these risks. At least annually, there is a requirement to identify and assess the exposure to financial crime risk, enabling the targeting of financial crime resources on the areas of greatest risk. Procedures in the U.K. and E.U. are based on guidance and requirements issued both at a national and supranational level.

The FCA and the financial supervisory authorities in the E.U. require our entities to have systems and controls in place to enable them to identify, assess, monitor and manage financial crime risk. Accordingly, we have implemented appropriate systems and controls which are proportionate to the nature, scale and complexity of our activities. We provide relevant training to our employees in relation to financial crime. As required, our EMEA Money Laundering Reporting Officer as well as the Money Laundering Reporting Officer appointed in respect of each of the entities in the E.U. provide regular reports on the operation and effectiveness of these systems and controls, including details of our regular assessments of the adequacy of these systems and controls to ensure their compliance with the local regulatory requirements.

Our financial crime systems and controls also include routine screening to identify where customers and others with whom we transact may be subject to financial sanctions, including measures initiated or adopted by *inter alia* the U.K. Treasury, E.U. or OFAC (as required in the U.S.)

#### *EMIR*

The E.U. European Market Infrastructure Regulation (Regulation (EU) 648/2012) ("EMIR") imposes requirements on entities that enter into any form of derivative contract and applies directly to firms in the E.U. that trade derivatives and indirectly to non-E.U. firms that trade derivatives with E.U. firms. Accordingly, under these rules, we are required to:

- report all derivative contracts and their lifecycle events (concluded, modified and terminated) to which we are a party to a trade repository either by ourselves or through a third party;
- keep all records relating to concluding of derivative contracts and any subsequent modification for 5 years;
- comply with the risk management requirements for OTC bilateral derivatives, including portfolio reconciliation, portfolio compression, record keeping, dispute resolution and margining; and
- clear through central counterparties all OTC derivatives which will be subject to the mandatory clearing obligation.

#### *MiFID*

Where firms offer "execution only" services for certain financial instruments which are deemed "complex", E.U. Markets in Financial Instruments Directive II (Directive 2014/65/EU) ("MiFID II") requires firms to assess the appropriateness of those investments for retail clients. For this assessment, we are required to collect information about our existing and potential clients' knowledge and experience with regard to specific products and services, including:

- the types of services, transactions and financial instruments with which the retail client is familiar;
- the nature, volume, and frequency of the retail client's transactions in financial instruments and the period over which they have been carried out; and
- the level of education, and profession or relevant former profession of the retail client or potential retail client.

We are required to offer to a retail client or transact for them only those products that are deemed appropriate for their knowledge, experience and other circumstances. If the retail client demands a product that has been assessed as inappropriate for the retail client's circumstances by us, we may either refuse to offer the product to the client or allow them access to the product but we are required to give the retail client a warning that the product may be inappropriate to its circumstances. We are not required to undertake this analysis for professional clients as we are entitled to assume that a professional client has the necessary knowledge and experience in order to understand the risks involved in relation to the particular products or services for which they have been classified as a professional client.

In addition to the requirements described above, MiFID II requires that:

- firms carry out an appropriateness assessment before providing an execution only service to retail clients;
- transparency is given to derivatives traded on regulated markets, multi-lateral trading facilities ("MTFs"), and organized trading facilities ("OTFs");
- transactions are reported for those financial instruments traded on MTFs, OTFs, and those financial instruments where the underlying instrument is traded on a Trading Venue; and
- E.U. Member State regulators ban or restrict the marketing, distribution or sale of a financial instrument or types of financial practice where there is a threat to investor protection, the orderly functioning and integrity of markets or to

financial stability. The European Banking Authority and the European Securities and Markets Authority have similar powers to impose a ban on an E.U.-wide basis or in relation to a particular E.U. Member State.

#### *Packaged Retail and Insurance-based Investment Products*

Our U.K. entities are required to comply with the PRIIPs Regulation in relation to packaged retail and insurance-based investment products (“PRIIPs”) that they manufacture, advise on or sell to retail clients. The FCA regards derivatives (including options, futures, and contracts for differences) as falling within the definition of a PRIIP. The regime requires us to provide retail clients with a standardized key information document (“KID”) in good time before any transaction in derivatives is concluded or for transactions concluded by distance communications, after the transaction has taken place, but only if it is not possible to provide the KID in advance and the client consents.

#### *Payments Services Regulations 2017*

The Payments Services Regulations 2017 (“PSRs”) implemented the second Payments Services Directive (“PSD II”) in the U.K. The most significant development contained in the PSD II is the requirement for payment services firms to introduce strong customer authentication (“SCA”) on the payment platforms. Firms providing business via e-commerce methods have until March 2022 to fully implement SCA on their platforms.

#### *Brexit*

The U.K. left the E.U. in January 2020 pursuant to a Withdrawal Agreement. It entered into a transition period which expired on December 31, 2020. Following the expiration of this transition period, British investment and payment firms have lost the right to conduct business within European Economic Area (“EEA”) states based on their ‘home’ state authorization. Without appropriate authorization, British firms are largely restricted to providing business to clients that are domiciled in the EEA on a ‘reverse solicitation’ basis. Furthermore, British investment firms have lost certain rights with respect to access to, or providing their clients with a connection to, certain infrastructural assets that are necessary for the provision of certain services. An example is the provision of direct electronic access to trading venues authorized in the E.U.

StoneX Financial Ltd put in place a comprehensive Brexit contingency plan to mitigate the risks associated with Brexit. This included the transfer of assets, services and clients to StoneX Financial Ltd’s subsidiary (StoneX Financial GmbH) and sister company (StoneX Financial Europe S.A).

Similarly, the group has executed a plan to mitigate the risks associated with Brexit for retail clients including the establishment of a licensed entity in Cyprus, StoneX Europe Ltd.

#### *U.K. Investment Firm Prudential Regime*

The U.K. is due to implement a new prudential regime that will replace the existing Capital Requirements Regulation (“CRR”) and fourth Capital Requirements Directive (“CRD IV”) in January 2022. The U.K. Investment Firm Prudential Regime (“IFPR”) is intended to introduce a more appropriate regime for investment firms, which are currently regulated under rules designed for banks. StoneX Financial Ltd is not currently expecting that the IFPR will require significant changes to be made to its prudential requirements. This new prudential regime entered into force in June 2021 in the E.U.

#### *E.U. Conflict Minerals Regulation*

The E.U. Conflict Minerals Regulation (“CMR”) became effective in January 2021. The U.K. adopted the CMR as it entered the U.K. statute book for Northern Ireland before the expiration of the Brexit transition period. The FCA is expected to recognize the Global Precious Metals Code in the U.K. following a recent consultation. The CMR requires importers to conduct due diligence on their gold, tantalum, tin, and tungsten supply chains to identify minerals that may have originated from conflict zones. The new requirements are largely based on existing guidance issued by the Organisation for Cooperation and Development (OECD) which StoneX Financial Ltd already applies. The firm has made some amendments to its policies and procedures in anticipation of the regulation and keeps these under review as part of its systems and controls.

#### *Other International Regulation*

Our operating subsidiaries in jurisdictions outside of the U.S. U.K. and E.U. are registered with, or obtained a license from, local regulatory bodies that seek to protect clients by imposing requirements relating to capital adequacy and other matters.

#### *Privacy and Data Protection*

Our business is subject to rules and regulations adopted by state, federal and foreign governments, and regulatory organizations governing data privacy, including for example the California Consumer Privacy Act (CCPA) and the European General Data Protection Regulation (GDPR). Additional states, as well as foreign jurisdictions, have enacted or are proposing similar data protection regimes, resulting in a rapidly evolving landscape governing how we collect, use, transfer and protect personal data.



### ***Exchange Memberships***

Through our various operating subsidiaries, we are member of a number of exchanges, including the Chicago Mercantile Exchange, the Chicago Board of Trade, the New York Mercantile Exchange, COMEX, InterContinental Exchange, Inc., the New Zealand Exchange, the Minneapolis Grain Exchange, the London Metal Exchange, ICE Europe Ltd, Euronext Amsterdam, Euronext Paris, European Energy Exchange, Norexco ASA, the Rosario Futures Exchange, ICE Futures Abu Dhabi, Small Exchange, Inc. and the Singapore Exchange. These exchanges impose their own requirements on a variety of matters, in some cases addressing capital adequacy, protection of client assets, record-keeping and reporting.

Failure to comply with our exchange membership requirements could result in a variety of consequence, including, but not limited to fines and revocation of memberships, which would limit on our ability to carry on our business with these exchanges.

### ***Human Capital Management***

We believe that our success is determined in large part by the quality and dedication of our people and by the empowerment of our employees to serve and engage our clients globally. At the direction of our Executive Committee and in furtherance of our strategies as a whole, our worldwide human resources officers are responsible for developing and executing our human capital strategy. This includes the attraction, acquisition, development and engagement of talent to deliver on our strategy and the design of employee compensation, incentive, welfare and benefits programs. We focus on the following factors in order to implement and develop our human capital strategy:

- Employee Compensation and Incentives
- Evaluation of Employee Performance, Training and Talent Development
- Employee Health and Welfare
- Diversity and Inclusion

#### ***Employee Compensation and Incentives***

Ensuring that our employees are well-compensated and have the appropriate incentives in place to meet and exceed their potential is a central part of our human capital strategy. Our entrepreneurial culture ties pay to performance in a variety of ways, including incentive compensation, merit-based bonus programs and variable compensation. We also encourage our employees to acquire an ownership stake in our business by sponsoring stock option and restricted stock plans for directors, officers and employees. Furthermore, our Nominating & Governance Committee imposes requirements that our directors and executive officers maintain a financial interest in our stock by owning vested Company stock, fostering an additional sense of ownership and alignment of interests.

#### ***Evaluation of Employee Performance, Training and Talent Development***

We commit to our employees by encouraging their growth and professional development through performance management, training and talent development, including:

- *Performance evaluations.* Employee performance is evaluated annually through written self-assessments which are reviewed in discussions with supervisors and managers. Employee performance is assessed based on a variety of key performance indicators, including achievement of objectives specific to the employee's department or role, an assessment of company core competencies, feedback from peers and subordinate employees and managers in other departments and an assessment conducted by the employee's direct manager.
- *Business Unit Training.* Business units provide hands-on training to their employees to equip them for success in their roles and provide increased opportunities to develop their careers.
- *Manager Training.* Management training is provided to senior leaders and mid-level managers. This training covers, among other topics, talent review, development of underperforming employees, handling employee misconduct and coaching and success workshops.
- *Know-Your-Business Programs.* We make available to employees a monthly "Know-Your-Business" program led by senior managers, including our CEO, to provide our employees with the opportunity to learn about our diverse product and service offerings, as well as familiarize themselves with the various operational and administrative support areas.
- *Virtual Networking and Mentoring Programs.* We have established virtual networking and mentoring programs to provide an additional means for employees to connect with each other, learn about different parts of our business and to help each other further develop their careers.

#### ***Employee Health and Welfare***

We believe that doing our part to maintain the health and welfare of our employees is a critical element for achieving commercial success. As such, we provide our employees with comprehensive health benefits and offer a wellness program

which focuses on employee health strategies and includes a discount to employee medical premiums for the completion of wellness initiatives. We have taken a proactive approach to addressing the Covid-19 pandemic's impact on our employees, implementing a mitigation response and monitoring program, which includes a Covid-19 Response Task Force, in order to protect the health of our employees, encouraging and in some instances requiring working from home, and balancing these steps with a carefully considered return to office policy that complies with local guidelines for each of our offices. We promote a culture of hard work and achievement that also strives to provide an appropriate work-life balance for our employees. We conduct employee surveys from time-to-time to collect feedback and incorporate into our planning. In addition, we offer employee assistance programs, including confidential assistance for financial, mental and physical well-being. Finally, we believe that the well-being of our employees is enhanced when they can give back to their local communities or charities and have established the "StoneX Cares" program to facilitate participation by our employees in these initiatives and provide a company match for charitable contributions.

#### *Diversity and Inclusion*

We believe that we are more successful commercially with a diverse employee population and encourage hiring and promotion practices that focus on the best talent and the most effective performers, regardless of gender, national origin, ethnicity or other protected class. We have adopted an Affinity Group Policy which provides a framework for groups of employees to interact over areas of common interest, an example being the Women of StoneX program which focuses on supporting and developing our female employees. In addition, our Board includes two female directors and our Nominating and Governance Committee is actively focused on issues of diversity and inclusion as part of its overall mandate. Because we operate a global business across multiple business segments, products and service areas, we believe it is especially important that we attract employees with diverse backgrounds and the capability to address client needs across the numerous cultures in the countries in which we operate. We continually analyze and monitor gender and ethnicity across our employee population and report regularly into Executive Committee and the Board.

#### *Foreign Operations*

We operate in a number of foreign jurisdictions, including Canada, Ireland, the U.K., Cyprus, Luxembourg, Germany, Spain, Argentina, Brazil, Colombia, Uruguay, Paraguay, Mexico, Nigeria, Dubai, China, India, Hong Kong, Australia, Singapore, Japan, Cayman Islands, Bermuda and Poland. We established wholly owned subsidiaries in the Cayman Islands and Bermuda but do not have offices or employees in those countries.

#### *Intellectual Property*

We rely on a combination of trademark, copyright, trade secret and unfair competition laws in the United States and other jurisdictions to protect our proprietary technology, intellectual property rights and our brands (e.g., StoneX, IRMP, FOREX.com, GAIN Capital, and City Index). We also enter into confidentiality and invention assignment agreements with our employees and consultants, and confidentiality agreements with other third parties. We rigorously control access to our proprietary technology. Currently, we do not have any pending or issued patents.

We use a variety of service marks that have been registered with the U.S. Patent and Trademark Office, including: StoneX, IRMP, FCStone, FC Stone, CommodityNetwork, CoffeeNetwork, GAIN Capital, FOREX.com, It's Your World. Trade It., GAIN Capital Futures, and GAIN Futures. We also have registered trademarks covering our City Index brand name and logo in a variety of jurisdictions, including Australia, the U.K., the E.U., Singapore and China. We also have pursued trademark protection through the Madrid Protocol covering our StoneX brand name in a variety of jurisdictions. To date, we have received preliminary approvals in Australia, the U.K., the E.U. and Singapore, and are awaiting approvals from other jurisdictions.

#### *Business Risks*

We seek to mitigate the market and credit risks arising from our financial trading activities through an active risk management program. The principal objective of this program is to limit trading risk to an acceptable level while maximizing the return generated on the risk assumed.

We have a defined risk policy administered by our risk management committee, which reports to the risk committee of our board of directors. We established specific exposure limits for inventory positions in every business, as well as specific issuer limits and counterparty limits. We designed these limits to ensure that in a situation of unexpectedly large or rapid movements or disruptions in one or more markets, systemic financial distress, and the failure of a counterparty or the default of an issuer, the potential estimated loss will remain within acceptable levels. The risk committee of our board of directors reviews the performance of the risk management committee on a quarterly basis to monitor compliance with the established risk policy.

## Item 1A. Risk Factors

We face a variety of risks that could adversely impact our financial condition and results of operations, set forth below.

### Macroeconomic Risks

***Our ability to achieve consistent profitability is subject to uncertainty due to the nature of our businesses and the markets in which we operate.*** Our revenues and operating results may fluctuate significantly because of the following factors:

- market conditions, such as price levels and volatility in the commodities, securities and foreign exchange markets in which we operate;
- changes in the volume of our market-making and trading activities;
- changes in the value of our financial instruments, currency and commodities positions and our ability to manage related risks; and
- the level and volatility of interest rates.

There have been significant declines in trading volumes in the financial markets generally in the past and there may be similar declines in trading volumes generally or across our platforms in particular in the future. Any one or more of the above factors may contribute to reduced trading volumes. Our revenues and profitability are likely to decline significantly during periods of stagnant economic conditions or decreased trading volume in the U.S. and global financial markets.

Although we continue our efforts to diversify the sources of our revenues, it is likely that our revenues and operating results will continue to fluctuate substantially in the future and such fluctuations could result in losses. These losses could have a material adverse effect on our business, financial condition and operating results.

***Our net operating revenues may decrease due to changes in client trading volumes which are dependent in large part on commodity prices and commodity price volatility.*** Our clients' trading volumes are largely driven by the degree of volatility—the magnitude and frequency of fluctuations—in prices of commodities. Higher volatility increases the need to hedge contractual price risk and creates opportunities for arbitrage trading. Energy and agricultural commodities markets periodically experience significant price volatility. In addition to price volatility, increases in commodity prices generally lead to increased trading volume. As prices of commodities rise, especially energy prices, new participants enter the markets to address their growing risk-management needs or to take advantage of greater trading opportunities. Sustained periods of stability in the prices of commodities or generally lower prices could result in lower trading volumes and, potentially, lower revenues. In addition, lower volatility and lower volumes could lead to lower client balances held on deposit, which in turn may reduce the amount of interest revenue and account fees we collect based on these deposits.

Factors that are particularly likely to affect price volatility and price levels of commodities include supply and demand of commodities, weather conditions affecting certain commodities, national and international economic and political conditions, the perceived stability of commodities and financial markets, the level and volatility of interest rates and inflation and the financial strength of market participants.

***Low short-term interest rates negatively impact our profitability.*** We have generated significant interest-related revenue in prior periods and low levels of short-term interest rates, such as the levels currently in effect, have a material adverse effect on our profitability. For example, for the fiscal year ended September 30, 2021, our interest related income was \$102.4 million as compared to \$130.9 million during the fiscal year ended September 30, 2020. We expect our interest-related revenue to remain depressed in the current and future years unless market interest rates increase significantly.

Short-term interest rates are highly sensitive to factors that are beyond our control and we can provide no assurance as to when short-term interest rates will increase.

***The extension of the COVID-19 pandemic could have a material adverse effect on our business.*** The COVID-19 pandemic has created significant market volatility, uncertainty and economic disruption and while increased volatility is typically a driver of increased customer activity and growth in our operating revenues, longer periods of extreme volatility and dislocation in global securities, foreign exchange and commodity markets may affect our ability to establish effective offsetting positions in our principal trading and market-making activities which may expose us to trading losses. In addition, in the event that the continuation of the COVID-19 pandemic results in a global recession or slowdown, this could lead to extended periods of low short-term interest rates and decreased volatility which could adversely affect our profitability. We also may be exposed to increased counterparty default, liquidity and credit risk with respect to our client accounts, which means if our clients experience losses in excess of the funds they have deposited with us, we may not be able to recover the negative client equity from our clients. In these circumstances, we may nonetheless be required to fund positions with counterparties using our own funds, which in turn would reduce our liquidity buffers. If any of these risks materialize, our operating results or ability to conduct our business may be materially adversely affected.

In addition, the continuation of the COVID-19 pandemic has led to increased operational and cybersecurity risks, including those related to a large number of our employees working remotely. These risks include, among others, increased demand on our information technology resources and systems, the increased risk of phishing and other cybersecurity attacks as cybercriminals try to exploit an increased number of points of possible attack, such as laptops and mobile devices, both of which are now being used in increased numbers. Any failure to effectively manage these increased operational and cybersecurity demands and risks, including to timely identify and appropriately respond to cyberattacks, may materially adversely affect our results of operations and the ability to conduct our business. For a further discussion of cybersecurity risks, see Technology and Cybersecurity Risks below.

The extent to which the COVID-19 pandemic impacts our business, financial condition, liquidity or results of operations will depend on future developments, which are uncertain and cannot be predicted, including the resurgence of COVID-19 and its variants, possible future governmental limitations on commerce and travel, the effectiveness of our transition from work-from-home arrangements to a gradual return to our offices, actions taken by governmental authorities in response to the pandemic, as well as other direct and indirect impacts on us, our customers, our vendors and other stakeholders. To the extent the continuation of the COVID-19 pandemic adversely affects our business, financial condition, liquidity or results of operations, it may also have the effect of heightening many of the other risks described herein and in any future Quarterly Reports on Form 10-Q or other filings we make with the SEC.

## **Business Risks**

***We face risks associated with our market-making and trading activities.*** A significant portion of our operating revenues are generated through our market making and trading activities. The success of our market-making and trading activities principally depends on:

- the price volatility of specific financial instruments, currencies and commodities;
- our ability to attract order flow and our competitiveness;
- the skill of our personnel, including the efficiency of our order execution, quality of our client service and the sophistication of our trading technology;
- the availability of sufficient capital, in order to provide enhanced liquidity to our clients; and
- general market conditions.

We conduct our market-making and trading activities predominantly as a principal and therefore hold positions that bear the risk of significant price fluctuations, rapid changes in the liquidity of markets, deterioration in the creditworthiness of our counterparties and other risks that may cause the value of our positions to decline, which would lead to lower operating revenues.

In addition, as a market maker, while we seek to hedge our exposure to market risk relating to the positions we hold, at any given moment, our unhedged exposure subjects us to market risk, including the risk of significant losses. Principal gains and losses resulting from our positions could have a disproportionate effect, positive or negative, on our financial condition and results of operations for any particular reporting period. These risks are increased when we have concentrated positions in securities of a single issuer or issuers in specific countries and markets, which is the case from time-to-time.

Declines in the volume of securities, commodities and derivative transactions and in market liquidity generally may result in lower revenues from market-making and trading activities. Changes in price levels of securities and commodities and other assets, and in interest and foreign exchange rates also may result in reduced trading activity and reduce our revenues from market-making transactions. Changes in price levels also may result in losses in the fair value of securities, commodities and other assets held in inventory. Sudden sharp changes in the fair value of securities, commodities and other assets can result in a number of adverse consequences for our business, including illiquid markets, fair value losses arising from positions held by us, and the failure of buyers and sellers of securities, commodities and other assets to fulfill their settlement obligations. Any change in market volume, price or liquidity or any other of these factors could have a material adverse effect on our business, financial condition and operating results.

***We operate as a principal in the OTC derivatives markets which involves significant risks associated with commodity derivative instruments in which we transact.*** We offer OTC derivatives to our clients in which we act as a principal counterparty. We endeavor to simultaneously offset the underlying risk of the instruments, such as commodity price risk, by establishing corresponding offsetting positions with commodity counterparties, or alternatively we may offset those transactions with similar but not identical positions on an exchange. To the extent that we are unable to simultaneously offset an open OTC derivative position or the offsetting transaction is not effective to fully eliminate the derivative risk, we have market risk exposure on these unmatched transactions. Our exposure varies based on the size of our overall positions, the terms and liquidity of the instruments we offer to our clients and the amount of time the positions remain open.

While we mitigate market risk on OTC derivative positions with strict risk limits, limited holding periods and active risk management, adverse movements in the referenced assets or rates underlying these positions or a downturn or disruption in the markets for these positions could result in a substantial loss. In addition, any principal gains and losses resulting from these positions could have a disproportionate effect, positive or negative, on our financial condition and results of operations for any particular reporting period.

Transactions involving OTC derivative contracts may be adversely affected by fluctuations in the level, volatility, correlation or relationship between market prices, rates, indices and/or other factors. These types of instruments may also suffer from illiquidity in the market or in a related market.

**OTC derivative transactions are subject to unique risks.** OTC derivative transactions are subject to the risk that, as a result of mismatches or delays in the timing of cash flows due from or to counterparties in OTC derivative transactions or related hedging, trading, collateral or other transactions, we or our counterparty may not have adequate cash available to fund our or its current obligations.

We could incur material losses pursuant to OTC derivative transactions because of inadequacies in or failures of our internal systems and controls for monitoring and quantifying the risk and contractual obligations associated with OTC derivative transactions and related transactions or for detecting human error, systems failure or management failure.

OTC derivative transactions may generally be modified or terminated only by mutual consent of the parties to any such transaction (other than in certain limited default and other specified situations (e.g., market disruption events)) and subject to agreement on individually negotiated terms. Accordingly, it may not be possible to modify, terminate or offset obligations or exposure to the risk associated with a transaction prior to its scheduled termination date.

In addition, we note that as a result of rules adopted by U.S. and foreign regulators concerning certain financial contracts, including OTC derivatives, entered into with our counterparties that have been designated as global systemically important banking organizations, we may be restricted in our ability to terminate such contracts following the occurrence of certain insolvency-related default events. Transactions with these counterparties, therefore, carry heightened risk in the event that the counterparty defaults on its obligations to us.

**We are subject to margin funding requirements on short notice.** Our business involves establishment and carrying of substantial open positions for clients on futures exchanges and in the OTC derivatives markets. We are required to post and maintain margin or credit support for these positions. Although we collect margin or other deposits from our clients for these positions, significant adverse price movements can occur which will require us to post margin or other deposits on short notice, whether or not we are able to collect additional margin or credit support from our clients. We maintain borrowing facilities for the purpose of funding margin and credit support and have in place procedures for collecting margin and other deposits from clients on a same-day basis; however, there can be no assurance that these facilities and procedures will provide us with sufficient funds to satisfy funds to satisfy any additional margin or credit support we may be required to post in the event of severe adverse price movements affecting the open positions of our clients. Generally, if a client is unable to meet its margin call, we promptly liquidate the client's account. However, there can be no assurance that in each case the liquidation of the account will not result in a loss to us or that liquidation will be feasible, given market conditions, size of the account and tenor of the positions.

**We are exposed to counterparty credit risk whereby the failure by persons with whom we do business to meet their financial obligations could adversely affect our business, financial condition and results of operations.** We are exposed to the risk that our counterparties fail to meet their obligations to us or to other parties, resulting in significant financial loss to us. These risks include:

- failure by our clients and counterparties to fulfill contractual obligations and honor commitments to us;
- failure by clients to deposit additional collateral for their margin loans during periods of significant price declines;
- failure by our clients to meet their margin obligations;
- failure by our hedge counterparties to meet their obligations to us;
- failure by our clearing brokers and banks to adequately discharge their obligations on a timely basis or remain solvent; and
- default by clearing members in the clearing houses in the U.S. and abroad of which we are members which could cause us to absorb shortfalls pro rata with other clearing members.

These and similar events could materially affect our business, financial condition and results of operations. While we have policies, procedures and automated controls in place to identify and manage our credit risk, there can be no assurance that they will effectively mitigate our credit risk exposure. If our policies, procedures and automated controls fail, our business, financial condition and results of operations may be adversely affected.

***We are subject to risk of default by financial institutions that hold our funds and our customers' funds.*** We have significant deposits of our own funds and our customers' funds with banks and other financial institutions, including liquidity providers. In the event of the insolvency of one of these financial institutions, we might not be able to fully recover the assets we have deposited since, in certain cases, we will be among the institution's unsecured creditors. As a result, our business, financial condition and results of operations could be materially adversely affected by the loss of these funds.

***We rely on relationships with introducing brokers for obtaining some of our clients and our business or reputation could be harmed by such introducing broker misconduct or errors.*** We have relationships with introducing brokers, both domestic and international, who solicit clients for their execution and/or advisory services. Those introducing brokers work to establish execution and/or clearing accounts with our entities for those new client relationships but generally serve as the primary relationship and customer service point for those clients. Many of our relationships with introducing brokers are non-exclusive or may be canceled on relatively short notice. In addition, our introducing brokers have no obligation to provide new client relationships or minimum levels of transaction volume. To the extent any of our competitors offers more attractive compensation terms to one or more of our introducing brokers, we could lose the brokers' services or be required to increase the compensation we pay to retain the brokers. Further, we may agree to set the compensation for one or more introducing brokers at a level where, based on the transaction volume generated by customers directed to us by such brokers, it would have been more economically attractive to seek to acquire the customers directly rather than through the introducing broker. Our failure to maintain our relationships with these introducing brokers or the failure of these introducing brokers to establish and maintain client relationships could result in a loss of revenues, which would adversely affect our business.

We may be held responsible by regulators or third-party plaintiffs for any improper conduct by our introducing brokers, even though we do not control their activities. This may be the case even when the introducing brokers are separately regulated. Many of our introducing brokers operate websites, which they use to advertise our services or direct customers to us and there may be statements on such websites in relation to our services that may not be accurate and may not comply with applicable rules and regulations. Any disciplinary action taken against us relating to the activities of our introducing brokers, or directly against any of our introducing brokers could have a material adverse effect on our reputation, damage our brand name and adversely affect our business, financial condition and operating results.

***Products linked to cryptocurrencies could expose us to technology, regulatory and financial risks.*** We offer derivative products linked to Bitcoin and other cryptocurrencies in certain jurisdictions, and may expand the types of these products offered, the associated types of cryptocurrencies and the jurisdictions in which the products are offered. The distributed ledger technology underlying cryptocurrencies and other similar financial assets is evolving at a rapid pace and may be vulnerable to cyberattacks or have other inherent weaknesses that are not yet apparent. We may be, or may become, exposed to risks related to cryptocurrencies or other financial products that rely on distributed ledger technology through our facilitation of clients' activities involving such financial products linked to distributed ledger technology.

There is currently no broadly accepted regulatory framework for Bitcoin or other cryptocurrencies, and the regulation of cryptocurrencies is developing and changing rapidly in the U.S. and other countries around the world. For example, in the U.S., it is unclear whether many cryptocurrencies are "securities" under federal securities laws, and the implications for us if any of our products linked to cryptocurrencies are determined to be securities could be significant and adverse. In addition, some market observers have asserted that historical material price fluctuations in many cryptocurrency markets, such as that for Bitcoin, may indicate the propensity for cryptocurrency markets to "bubble," and if markets for any cryptocurrencies linked to our products suffer severe fluctuations, our customers could experience significant losses and we could lose their business.

***The manner in which we account for certain of our precious metals and energy commodities inventory may increase the volatility of our reported earnings.*** Our net income is subject to volatility due to the manner in which we report our precious metals and energy commodities inventory held by subsidiaries that are not broker-dealers. Our precious metals and energy inventory held in subsidiaries which are not broker-dealers is stated at the lower of cost or net realizable value. We generally mitigate the price risk associated with our commodities inventory through the use of derivatives. We do not elect hedge accounting under U.S. GAAP for this price risk mitigation. In such situations, any unrealized gains in our precious metals and energy inventory in our non-broker-dealer subsidiaries are not recognized under U.S. GAAP, but unrealized gains and losses in related derivative positions are recognized under U.S. GAAP. As a result, our reported earnings from these business segments are subject to greater volatility than the earnings from our other business segments.

***Our risk management policies and procedures may leave us exposed to unidentified or unanticipated risk, which could harm our business.*** Our risk management policies and procedures may not be fully effective in mitigating our risk exposure in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Our risk management policies and procedures require, among other things, that we record and monitor thousands of transactions each day and we face the significant risk that we are not able to appropriately manage the risk associated with the large volume of transactions.

Our risk management policies and procedures rely on a combination of technology and human controls and supervision that are subject to error and failure. Some of our methods for managing risk are discretionary by nature and are based on internally

developed controls and observed historical market behavior, and also involve reliance on standard industry practices. These methods may not adequately prevent losses, particularly as they relate to extreme market movements, which may be significantly greater than historical fluctuations in the market. In addition, our risk management policies and procedures also may not adequately prevent losses due to technical errors if our testing and quality control practices are not effective in preventing software or hardware failures. To the extent that we elect to adjust our risk management policies and procedures to allow for an increase in risk tolerance, we will be exposed to the risk of greater losses. Even if we our risk management procedures are effective in mitigating known risks, new unanticipated risks may arise and we may not be protected against significant financial loss stemming from these unanticipated risks. These new risks may emerge if, among other reasons, regulators adopt new interpretations of existing laws, new laws are adopted or third-parties initiate litigation against us based on new, novel or unanticipated legal theories. Our risk management policies and procedures may not prevent us from experiencing a material adverse effect on our financial condition and results of operations and cash flows.

### **Technology and Cybersecurity Risks**

***Internal or third-party computer and communications systems failures, capacity constraints and breaches of security could increase our operating costs and/or credit losses, decrease net operating revenues and cause us to lose clients.*** We are heavily dependent on the capacity and reliability of the computer and communications systems supporting our operations, whether owned and operated internally or by vendors or third parties, including those used for execution and clearance of our client's trades and our market-making activities. We receive and process a large portion of our trade orders through electronic means, such as through public and private communications networks. These computer and communications systems and networks are subject to performance degradation or failure due to any number of reasons, including loss of power, acts of war or terrorism, human error, natural disasters, fire, sabotage, hardware or software malfunctions or defects, computer viruses, cyber attacks, intentional acts of vandalism, client error or misuse, lack of proper maintenance or monitoring and similar events. While we currently maintain business continuity and disaster recovery plans (the "BCPs"), which are intended to minimize service interruptions and secure data integrity, our BCPs may not be sufficient or work effectively during an emergency.

Similarly, although some contracts with our third-party providers, such as our hosting facility providers, require adequate disaster recovery or business continuity capabilities, we cannot be certain that these will be adequate or implemented properly. Our disaster recovery and business continuity plans are heavily reliant on the availability of the internet and mobile phone technology, so any disruption of those systems would likely affect our ability to recover promptly from a crisis situation. If we are unable to execute our disaster recovery and business continuity plans, or if our plans prove insufficient for a particular situation or take longer than expected to implement in a crisis situation, our business, financial condition and results of operations could be materially adversely affected, and our business interruption insurance may not adequately compensate us for losses that may occur.

Our inability to avoid or adequately address the failure of our key computer and communication systems exposes us to significant risks, including:

- unanticipated disruptions in service to our clients;
- slower response times, delays in trade execution and failed settlement of trades;
- incomplete, untimely or inaccurate accounting, recording, reporting or processing of trades;
- financial losses; and
- litigation or other client claims and regulatory sanctions.

***We hold a large amount of personally identifiable information relating to our customers and other counterparties, which exposes us to significant regulatory and financial risks if such information is not properly safeguarded.*** In connection with our business, we collect and retain personally identifiable information of our clients. The continued occurrence of high-profile data breaches provides evidence of the serious threats to information security in general and as it relates to our business. Our clients expect that we will adequately protect their personal information, and the regulatory environment surrounding information security and privacy is rapidly evolving and increasingly demanding. Protecting against security breaches, including cyber-security attacks, is an increasing challenge, and penetrated or compromised data systems or the intentional or inadvertent release or disclosure of data has in the past, and may in the future, result in theft, loss or fraudulent or unlawful use of client or company data. It is possible that our security controls over personally identifiable information, our training of employees on data security and other practices we follow may not prevent the improper disclosure of personally identifiable information that we collect, store and manage.

***We are exposed to significant risks relating to cybersecurity attacks against our trading platforms, internal databases and other technology systems.*** Cybersecurity attacks across industries, including ours, are increasing in sophistication and frequency and may range from uncoordinated individual attempts to measures targeted specifically at us. These attacks include but are not limited to, malicious software or viruses, attempts to gain unauthorized access to, or otherwise disrupt, our information systems, attempts to gain unauthorized access to proprietary information, and other electronic security breaches that

could lead to disruptions in critical systems, unauthorized release of confidential or otherwise protected information and corruption of data. Cybersecurity failures may be caused by employee error or malfeasance, system errors or vulnerabilities, including vulnerabilities of our vendors, suppliers, and their products. We have been subject to cybersecurity attacks in the past, including breaches of our information technology systems, and may experience them in the future, potentially with more frequency or sophistication. Although we maintain cyber risk insurance, this insurance may not be sufficient to cover all of our losses from any future breaches of our systems.

***System failures, inadvertent disclosure of customer personal information and/or cybersecurity breaches expose us to financial losses, regulatory fines or sanctions and third-party litigation.*** The degradation or failure of the communications and computer systems on which we rely, due to internal system issues, vendor or other third party issues, cybersecurity attacks or for other reasons, or the significant theft, loss or fraudulent use of client information under any circumstances, may lead to financial losses, litigation or arbitration claims filed by or on behalf of our clients, and regulatory investigations and sanctions against us. These events could also have a negative effect on our reputation, which in turn could cause us to lose existing clients to our competitors or make it more difficult for us to attract new clients in the future.

***Rapid market or technological changes may render our technology obsolete or decrease the attractiveness of our products and services to our clients.*** We must continue to enhance and improve our electronic trading platforms. The financial services industry is characterized by significant structural changes, increasingly complex systems and infrastructures, changes in clients' needs and preferences and new business models. If new industry standards and practices emerge and our competitors release new technology before us, our existing technology, systems and electronic trading platforms may become obsolete or our existing business may be harmed. Our future success will depend on our ability to:

- enhance our existing products and services;
- develop and/or license new products and technologies that address the increasingly sophisticated and varied needs of our clients and prospective clients;
- continue to attract highly-skilled technology personnel; and
- respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis.

Developing our electronic trading platforms and other technology entails significant technical and business risks. We may use new technologies ineffectively or we may fail to adapt our electronic trading platforms, information databases and network infrastructure to client requirements or emerging industry standards. If we face material delays in introducing new services, products and enhancements, our clients may forego the use of our platforms and use those of our competitors.

Further, the adoption of new internet, networking, cloud, telecommunications or blockchain technologies may require us to devote substantial resources to modify and adapt our services. We cannot assure that we will be able to successfully implement new technologies or adapt our proprietary technology and transaction-processing systems to client requirements or emerging industry standards. We cannot assure that we will be able to respond in a timely manner to changing market conditions or client requirements.

#### **Debt Financing and Indebtedness Risks**

***The success of our business depends on us having access to significant liquidity.*** Our business requires substantial cash to support our operating activities, including in connection with the establishment and carrying of substantial open positions for clients on futures exchanges and in the OTC derivatives markets by posting and maintaining margin or credit support for these positions. Although we collect margin or other deposits from our clients for these positions, significant adverse price movements can occur which will require us to post margin or other deposits on short notice, whether or not we are able to collect additional margin or credit support from our clients. We have systems in place to collect margin and other deposits from clients on a same-day basis, however, there can be no assurance that these facilities and systems will be able to obtain additional cash on a timely basis. As such, the Company is highly dependent on its lines of credit and other financing facilities in order to fund margin calls and other operating activities and the loss of access to these sources of financing could have a material adverse effect on our results of operations, financial condition and cash flows.

***Our significant level of indebtedness could adversely affect our business, financial condition and results of operations.*** As of September 30, 2021, our total consolidated indebtedness was \$755.6 million, and we may increase our indebtedness in the future as we continue to expand our business. The level of our indebtedness could have material adverse effects on our business, financial condition and results of operations, including:

- requiring that an increasing portion of our cash flow from operations be used for the payment of interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, capital expenditures, acquisitions, investments and general corporate requirements;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions, investments and general corporate requirements;



- limiting our flexibility in planning for, or reacting to, changes in the economy, the markets, regulatory requirements, our operations or business;
- increasing the risk of a future downgrade of our credit ratings, which could increase future debt costs; and restricting our ability to borrow additional funds or refinance existing debt as needed or take advantage of business opportunities as they arise.

We may incur additional indebtedness in the future, including secured indebtedness. If new indebtedness is added to our current indebtedness levels, the related risks that we now face could increase materially.

Some of our borrowings are subject to variable interest rates and as such in periods of rising interest rates, our cost of funds will increase, which could reduce our net income.

**Committed credit facilities currently available to us might not be renewed.** As of September 30, 2021, we had four committed credit facilities under which we could borrow up to \$806.4 million, consisting of:

- a \$406.4 million facility for general working capital requirements, committed until August 22, 2022;
- a \$75.0 million facility for short-term funding of margin to commodity exchanges, committed until April 1, 2022;
- a \$300.0 million committed facility for financing commodity financing arrangements and commodity repurchase agreements, committed until January 29, 2022; and
- a \$25.0 million facility for short-term funding of margin to commodity exchanges, committed until October 14, 2022. On November 18, 2021, the facility was amended to increase the committed borrowing amount available to \$50.0 million.

It is possible that these facilities might not be renewed at the end of their commitment periods and that we will be unable to replace them with other facilities on terms favorable to us or at all. If our credit facilities are unavailable or are insufficient to support future levels of business activity, our business, financial condition and results of operations may be materially adversely affected. In addition, in such circumstances, we may need to raise additional debt or equity financing on terms that are unattractive or dilutive to our current shareholders. Moreover, if we cannot raise additional funds on acceptable terms, we may not be able to develop or enhance our business, take advantage of future opportunities or respond to competitive pressure or unanticipated requirements, leading to reduced profitability.

**The agreements governing our notes and other debt contain financial covenants that impose restrictions on our business.** The indenture governing our 8.625% Senior Secured Notes due 2025 and the agreements governing our above-mentioned committed credit facilities impose significant operating and financial restrictions and limit our ability and that of our restricted subsidiaries to incur and guarantee additional indebtedness, pay dividends or make other distributions in respect of, or repurchase or redeem, capital stock and prepay, redeem or repurchase certain debt, among other restrictions.

Our failure to comply with these restrictive covenants, as well as others contained in any future debt instruments entered into from time to time, could result in an event of default, which, if not cured or waived, could have a material adverse effect on our business, financial condition and results of operations and result in our being required to repay these borrowings before their maturity. Our inability to generate sufficient cash flow to satisfy our debt obligations, to obtain additional debt or to refinance our obligations on commercially reasonable terms would have a material adverse effect on our business, financial condition and results of operations.

### **Global Regulatory Risks**

**The scope and complexity of the regulation to which we are subject creates significant risks for us.** The securities and derivatives industries are subject to extensive regulation under federal, state and foreign laws. In addition, the SEC, the CFTC, FINRA, the MSRB, the FCA, the FSA, CySEC, IIROC, the OSC, MAS, ASIC, CIMA, the NFA, the CME Group, Inc. and other self-regulatory organizations (commonly referred to as SROs), state securities commissions, and foreign securities regulators require compliance with their respective rules and regulations.

These regulations govern a broad and diverse range of our activities, including, without limitation, risk management, disclosures to clients, reporting requirements, client identification and anti-money laundering requirements, safeguarding client assets and personal information and the conduct of our directors, officers and employees.

Failure to comply with any of these laws, rules or regulations could result in material adverse effects on our business, results of operations and financial condition, including as a result of regulatory investigations and enforcement proceedings, civil litigation, fines and/or other settlement payments. In addition, changes in existing rules or regulations, including the interpretation thereof, or the adoption of new rules or regulations, could subject us to increased cost and risk of regulatory investigation or civil litigation, on or more of which could have a material adverse effect on our business, financial condition and results of operations.

***The cost of complying with our regulatory requirements is significant and could increase materially in the future.***

We have incurred and expect to continue to incur significant costs to comply with our regulatory requirements, including with respect to the development, operation and continued enhancement of our trading platforms and technology solutions relating to trade execution, trade reporting, trade surveillance and transaction monitoring, record keeping and data reporting. New regulations, including amendments of existing rules, could result in material increases in operating costs in order to comply with additional regulatory requirements.

***We are exposed to significant risk from civil litigation and regulatory enforcement actions against us.*** As a result of the broad scope of our highly regulated business activities and our large and diverse customer population, we are a party to a significant number of lawsuits and regulatory investigations and proceedings, which are costly and time consuming to defend or address and expose us to risk of loss and fines and penalties. Moreover, the amounts involved in the trades we execute, together with the potential for rapid price movements in the products we offer, can result in potentially large damage claims in any litigation that arises in connection with such trades.

In addition, the volume of claims and the amount of damages and fines claimed in litigation and regulatory proceedings against financial services firms has been increasing and may continue to increase. The risks relating to litigation and regulatory investigations and enforcement actions will also increase as our business expands.

For a further discussion of litigation risks, see Item 3—Legal Proceedings below and Note 13 - Commitments and Contingencies in the Consolidated Financial Statements.

***Certain of our subsidiaries are required to maintain significant levels of net capital and if our subsidiaries fail to meet these requirements, we face suspension, expulsion or limitation on our product lines.*** Our regulated subsidiaries are subject to a number of requirements to maintain specific levels of net capital. Failure to maintain the required net capital may subject our subsidiaries to suspension or revocation of their license or registration or expulsion from regulatory bodies. Any of these developments could have a material adverse effect on our business, results of operations and financial condition.

In addition to these net capital requirements, certain of our subsidiaries are subject to the deposit and/or collateral requirements of the clearing houses and exchanges in which such subsidiaries participate. These requirements may fluctuate significantly from time to time based upon the nature and size of client trading activity. Failure to meet such requirements could result in our inability to continue to participate in such clearinghouses and exchanges, which could have a material adverse effect on our business, financial condition and results of operation.

***Changes in existing net capital rules or the issuance of new rules could restrict our operations or limit our ability to issue dividends or repay debt.*** Our business depends on the use of capital, most of which is generated and held by our operating subsidiaries. If there are changes to existing net capital rules, or new rules are issued, that require us to hold additional capital at our operating subsidiaries, we may be unable to issue dividends from our subsidiaries to fund our operations or repay our debt, which could have a material adverse effect on our business, financial condition and results of operation.

***Rapidly evolving regulations regarding data privacy could increase our costs and adversely affect our business.*** Our business is subject to rules and regulations adopted by state, federal and foreign governments, and regulatory organizations governing data privacy, including, but not limited to for example, the California Consumer Privacy Act (CCPA) and the European General Data Protection Regulation (GDPR). Additional states, as well as foreign jurisdictions, have enacted or are proposing similar data protection regimes, resulting in a rapidly evolving landscape governing how we collect, use, transfers and protect personal data. These new regulations, as well as changes to existing rules, could result in material increases in operating costs and impact the manner in which our products and services can be offered to our clients. Any failure to comply with the CCPA, GDPR or other applicable data protection regulations could subject us to risk of regulatory investigation, penalties, civil litigation and reputational harm, and could have a material adverse effect on our business, financial condition and results of operation.

### **International Operations Risks**

***Our international operations involve special challenges that we may not be able to meet, which could adversely affect our business, financial condition and results of operation.*** We engage in a significant amount of business with clients in markets outside the United States. We face certain additional risks that are inherent in doing business in international markets, particularly in the regulated industries in which we participate. These risks include an inability to manage and coordinate the various regulatory requirements of multiple jurisdictions that are constantly evolving and are also subject to unexpected change, difficulties of debt collection and enforcement of contractual rights in foreign jurisdictions and reduced protection for intellectual property rights.

***Fluctuations in currency exchange rates could negatively impact our earnings.*** A significant portion of our international business is conducted in currencies other than the U.S. dollar, and changes in foreign exchange rates relative to the U.S. dollar can therefore affect the value of our non-U.S. dollar net assets, revenues and expenses. Although we closely monitor potential

exposures as a result of these fluctuations in currencies and adopt strategies designed to reduce the impact of these fluctuations on our financial results, there can be no assurance that we will be successful in managing our foreign exchange risk and potential movements in the U.S. Dollar against other currencies could adversely affect our results of operations. Our exposure to currency exchange rate fluctuations will grow if the relative contribution of our operations outside the U.S. increases. Any material fluctuations in currencies could have a material effect on our financial condition, results of operations and cash flows.

***Our international operations are subject to the political, legal and economic risks associated with politically unstable and less developed regions of the world, including the risk of war and other international conflicts and actions by governmental authorities, insurgent groups, terrorists and others.*** Our international operations are subject to specific risks that are more likely to arise in politically unstable and less developed regions of the world. We may conduct business in countries that are the subject of actual or threatened war, terrorist activity, outbreaks of pandemic or contagious diseases, such as COVID-19, political instability, civil strife and other geopolitical uncertainty, economic and financial instability, highly inflationary environment, unexpected changes in regulatory requirements, tariffs and other trade barriers, exchange rate fluctuations, applicable currency controls, the imposition of restrictions on currency conversion or the transfer of funds and difficulties in staffing and managing foreign operations, including reliance on local experts. As a result of these and other factors, the currencies of these countries may be unstable. Future instability in such currencies or the imposition of governmental or regulatory restrictions on such currencies or on business in such countries could impede our foreign business.

***As we operate or otherwise extend our services in certain jurisdictions without local registration, licensing or authorization, we may be subject to possible enforcement action and sanction for our operations in such jurisdictions if our operations are determined to have violated regulations in those jurisdictions. Further, we may be required to cease operations in one or more of the countries in which we operate without registration, licensing or authorization, or our growth may be limited by newly imposed regulatory or other restrictions.*** A portion of our trading volume is attributable to customers in jurisdictions in which we or our white label partners are not currently licensed or authorized by the local government or applicable self-regulatory organization. This includes jurisdictions, such as China, from which we derive revenue and profit, and in which the local government has not adopted specific regulations governing the trading of foreign exchange and CFD products of the types we offer to clients, and jurisdictions in which we operate or otherwise extend our services in reliance on exemptions from the regulatory regime. We determine the nature and extent of services we can offer and the manner in which we conduct our business in the various jurisdictions in which we serve customers based on a variety of factors, including legal advice received from local counsel, our review of applicable U.S. and local laws and regulations and, in some cases, our discussions with local regulators. In cases in which we operate in jurisdictions based on local legal advice and/or cross border in a manner that we believe does not require us to be regulated in a particular jurisdiction, we are exposed to the risk that our legal, regulatory and other analysis is subsequently determined by a local regulatory agency or other authority to be incorrect and that we have not been in compliance with local laws or regulations, including local licensing or authorization requirements, and to the risk that the regulatory environment in a jurisdiction may change, including in a circumstance where laws or regulations or licensing or authorization requirements that previously were not enforced become subject to enforcement.

In such jurisdictions in which we are not licensed or authorized, we may be subject to a variety of restrictions regarding the manner in which we conduct our business or serve customers, including restrictions on:

- our sales and marketing activities;
- the use of a website specifically targeted to potential customers in a particular country;
- our ability to have a physical presence in a particular country; or
- the types of services we may offer customers physically present in each country.

These restrictions may have a material adverse effect on our results of operations and financial condition and/or may limit our ability to grow or continue to operate our business in any such jurisdiction or may result in increased overhead costs or degradation in our services in that jurisdiction. Consequently, we cannot assure you that our operations in jurisdictions where we are not licensed or authorized will continue uninterrupted or that our international expansion plans will be achieved.

We may be subject to possible enforcement action and penalties if we are determined to have previously offered, or currently offer, our services in violation of applicable laws and regulations in any of the markets in which we serve customers. In any such case, we may be required to cease the conduct of our business with customers in one or more jurisdictions. We may also determine that compliance with the laws or licensing, authorization or other regulatory requirements for continuing the business in one or more jurisdictions are too onerous to justify making the necessary changes. In addition, any such event could negatively impact our relationship with the regulators or self-regulatory organizations in the jurisdictions where we are subject to regulation.

***Our operations are required to comply with specific anti-corruption and record-keeping laws and regulations applicable to companies conducting business internationally, and if we violate these laws and regulations, it could adversely affect our business and subject us to broader liability.*** Our international business operations are subject to various anti-corruption laws and regulations, including restrictions imposed by the Foreign Corrupt Practices Act (the "FCPA") and trade sanctions

administered by OFAC. The FCPA is intended to prohibit bribery of foreign officials and requires companies whose securities are listed in the U.S. to keep books and records that accurately and fairly reflect those companies' transactions and to devise and maintain an adequate system of internal accounting controls. OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against designated foreign states, organizations and individuals. Though we have policies in place designed to comply with applicable OFAC sanctions, rules and regulations as well as the FCPA and equivalent laws and rules of other jurisdictions, including the UK Bribery Act 2010, there can be no assurance that, in the future, the operations of our businesses will not violate these laws and regulations, and we could be exposed to claims for damages, financial penalties, reputational harm, incarceration of employees and restrictions on our operations and cash flows.

***The U.K.'s withdrawal from the European Union could have an adverse effect on our business and financial results.*** On January 31, 2020, the U.K. withdrew from membership in the E.U., which exit, referred to as Brexit, has caused disruptions to, and created uncertainty surrounding, our business in the U.K. and E.U., including the elimination of our historical right to serve customers in the E.U. from the U.K. on a passport basis and changes to U.K. and E.U. immigration policy, limiting our access to and ability to compete for and hire, skilled employees in both the U.K. and the E.U. Brexit could also impact our existing and future relationships with suppliers and employees in the U.K. and E.U. by disrupting the free movement of goods, services, and people between the U.K., the E.U., and elsewhere. As a result, Brexit could have an adverse effect on our future business, financial results and operations.

The long-term impact of the U.K.'s revised with the E.U. and others is unclear. Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the U.K. and the other economies in which we operate. There can be no assurance that any or all of these events will not have a material adverse effect on our business, financial results and operations.

### **Competition Risk**

***We are subject to intense competition.*** We derive a significant portion of our revenues from market-making and trading activities involving securities, commodities and foreign exchange. The market for these services, particularly market-making services through electronic platforms, is rapidly evolving and intensely competitive. We expect competition to continue and increase in the future. We compete primarily with wholesale, national and regional broker-dealers and FCMs, as well as electronic communications networks and retail brokers. We compete primarily on the basis of our expertise and quality of service.

We also derive a significant portion of our revenues from commodities risk management services. The commodity risk management industry is very competitive and we expect competition to continue to intensify in the future. Our primary competitors in this industry include both large, diversified financial institutions and commodity-oriented businesses, smaller firms that focus on specific products or regional markets and independent FCMs.

A number of our competitors have significantly greater financial, technical, marketing and other resources than we have. Some of them:

- offer alternative forms of financial intermediation as a result of superior technology and greater availability of information;
- offer a wider range of services and products than we offer;
- are larger and better capitalized;
- have greater name recognition; and
- have more extensive client bases.

These competitors may be able to respond more quickly to new or evolving opportunities and client requirements. They may also be able to undertake more extensive promotional activities and offer more attractive terms to clients.

Alternatively, some of our competitors are smaller, subject to lower capital requirements, and may be able to adopt and implement emerging technologies more quickly.

Recent advances in computing and communications technology are substantially changing the means by which market-making and brokerage services are delivered, including more direct access on-line to a wide variety of services and information. This has created demand for more sophisticated levels of client service. Providing these services may entail considerable cost without an offsetting increase in revenues. In addition, current and potential competitors have established or may establish cooperative relationships or may consolidate to enhance their services and products. New competitors or alliances among competitors may emerge and they may acquire significant market share.

We cannot assure you that we will be able to compete effectively with current or future competitors or that the competitive pressures we face will not have a material adverse effect on our business, results of operation and financial condition.

## Organizational Risks

***Our growth has depended significantly on acquisitions.*** A large proportion of our historical growth has been due through acquisitions of complementary businesses, technologies or services. Our operating revenues grew from \$784.0 million in fiscal 2017 to \$1,673.1 million in fiscal 2021 principally as a result of several acquisitions. We cannot provide any assurances that we will be able to engage in additional suitable acquisitions on attractive terms or at all, or that we would be able to obtain financing for future transactions. If we are not able enter into additional transactions, our growth may be adversely affected.

***There are numerous significant risks associated with acquisitions and our failure to adequately manage these risks could lead to financial loss and a failure to realize the benefits of the transactions.*** There are a number of significant challenges that need to be overcome in order to realize the benefits of acquisitions, including:

- integrating the management teams, strategies, cultures, technologies and operations of the acquired companies;
- retaining and assimilating the key personnel of acquired companies;
- retaining existing clients of the acquired companies;
- creating uniform standards, controls, procedures, policies and information systems; and
- achieving revenue growth.

If these risks are not appropriately managed, we may fail to realize the anticipated benefits of such acquisitions or incur unanticipated liabilities, any of which could materially affect our business, financial condition and operating results. In addition, in connection with our acquisitions, we may be required to issue common stock, which would dilute our existing shareholders, or incur additional debt, which would increase our operating costs and potentially strain our liquidity. Moreover, acquisitions could lead to increases in amortization expenses, impairments of goodwill and purchased long-lived assets or restructuring charges, any of which could materially harm our financial condition or results.

***Acquisitions give rise to unforeseen issues.*** Acquisitions involve considerable risk, including the potential disruption of each company's ongoing business and the distraction of their respective management teams, unanticipated expenses and unforeseen liabilities. Our failure to address these risks or other problems encountered in connection with acquisitions could cause us to fail to realize the anticipated benefits of such acquisitions or incur unanticipated liabilities, any of which could adversely affect our business, financial condition and operating results.

From time to time, we may enter into negotiations for acquisitions or investments that are not ultimately consummated. Such negotiations could result in significant diversion of management time, as well as out-of-pocket costs.

The consideration paid in connection with an investment or acquisition also affects our financial results. If we were to proceed with one or more significant acquisitions in which the consideration included cash, we could be required to use a substantial portion of our available cash to consummate any acquisition. To the extent we issue shares of capital stock or other rights to purchase capital stock, including options or other rights, existing stockholders may be diluted and earnings per share may decrease. In addition, acquisitions may result in the incurrence of debt, large one-time write-offs, such as of acquired in-process research and development costs, and restructuring charges.

***We depend on our ability to attract and retain key personnel.***

Competition for key personnel and other highly qualified management, sales, trading, compliance and technical personnel is significant. It is possible that we will be unable to retain our key personnel and to attract, assimilate or retain other highly qualified personnel in the future. The loss of the services of any of our key personnel or the inability to identify, hire, train and retain other qualified personnel in the future could have a material adverse effect on our business, financial condition and operating results.

From time to time, other companies in the financial sector have experienced losses of sales and trading professionals. The level of competition to attract these professionals is intense. It is possible that we will lose professionals due to increased competition or other factors in the future. The loss of a sales and trading professional, particularly a senior professional with broad industry expertise, could have a material adverse effect on our business, financial condition and operating results.

***Certain provisions of Delaware law and our charter may adversely affect the rights of holders of our common stock and make a takeover of us more difficult.*** We are organized under the laws of the State of Delaware. Certain provisions of Delaware law may have the effect of delaying or preventing a change in control. In addition, certain provisions of our certificate of incorporation may have anti-takeover effects and may delay, defer or prevent a takeover attempt that a stockholder might consider in its best interest. Our certificate of incorporation authorizes the board to determine the terms of our unissued series of preferred stock and to fix the number of shares of any series of preferred stock without any vote or action by our stockholders. As a result, the board can authorize and issue shares of preferred stock with voting or conversion rights that could adversely affect the voting or other rights of holders of our common stock. In addition, the issuance of preferred stock may have the effect of delaying or preventing a change of control, because the rights given to the holders of a series of preferred stock may prohibit a merger, reorganization, sale, liquidation or other extraordinary corporate transaction.

**Item 1B. Unresolved Staff Comments**

We have received no written comments regarding our periodic or current reports from the staff of the SEC that were issued 180 days or more preceding the end of our fiscal year 2021 that remain unresolved.

**Item 2. Properties**

We have offices, operations and data centers located around the world. Our corporate headquarters is located at 230 Park Avenue, New York, New York. We have significant operations located in London, Chicago, and Kansas City, along with many other locations globally. We believe that our facilities are adequate to meet our anticipated requirements for current lines of business. Most of our offices support multiple or all of our segments. All our offices and other principal business properties are leased, except for a portion of our space in Buenos Aires, which we own.

**Item 3. Legal Proceedings**

For information regarding certain legal proceedings to which we are currently a party, see Note 13, “Commitments and Contingencies - Legal and Regulatory Proceedings” in the notes to our Consolidated Financial Statements included in this Annual Report on Form 10-K.

**Item 4. Mine Safety Disclosures**

Not applicable.

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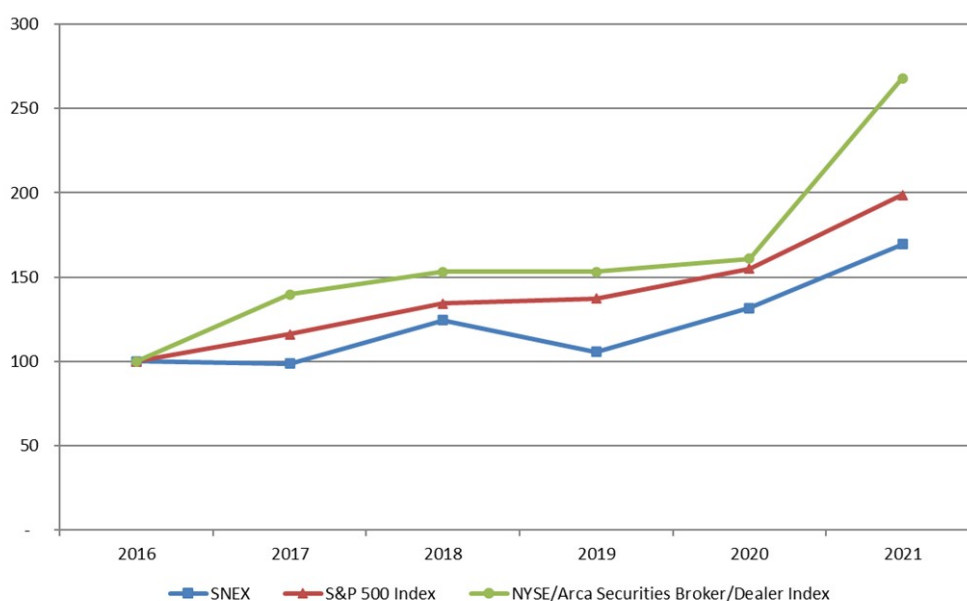
**PART II**

**Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

Our common stock is listed on The NASDAQ Stock Market LLC (“NASDAQ”) under the symbol ‘SNEX’. Our common stock trades on the NASDAQ Global Select Market. As of September 30, 2021, there were approximately 351 registered holders of record of our common stock. The high and low sales prices per share of our common stock for each full quarterly period during fiscal 2021 and 2020 were as follows:

	Price Range	
	High	Low
2021:		
Fourth Quarter	\$ 70.00	\$ 60.72
Third Quarter	\$ 70.47	\$ 58.26
Second Quarter	\$ 66.87	\$ 53.51
First Quarter	\$ 65.02	\$ 49.26
2020:		
Fourth Quarter	\$ 60.40	\$ 48.29
Third Quarter	\$ 57.98	\$ 32.00
Second Quarter	\$ 52.23	\$ 28.01
First Quarter	\$ 50.76	\$ 38.04

**Value over 5 years of \$100 invested on September 30, 2016 in each of the company's stock ("SNEX"), S&P 500 Index and NYSE/Arca Securities Broker/Dealer Index**



We have never declared any cash dividends on our common stock, and do not currently have any plans to pay dividends on our common stock. The payment of cash dividends in the future is subject to the discretion of our Board of Directors and will depend on our earnings, financial condition, capital requirements, contractual restrictions and other relevant factors. Our credit agreements currently prohibit the payment of cash dividends by us.

On December 16, 2020, our Board of Directors authorized the repurchase of up to 1.0 million shares of our outstanding common stock from time to time in open market purchases and private transactions, commencing on December 23, 2020 and ending on September 30, 2021.

On August 25, 2021, our Board of Directors authorized the repurchase of up to 1.0 million shares of our outstanding common stock from time to time in open market purchases and private transactions, commencing on October 1, 2021 and ending on September 30, 2022. The repurchases are subject to the discretion of the senior management team to implement our stock repurchase plan, and subject to market conditions and as permitted by securities laws and other legal, regulatory and contractual requirements and covenants.

Our common stock repurchase program activity for the three months ended September 30, 2021 was as follows:

<b>Period</b>	<b>Total Number of Shares Purchased</b>	<b>Average Price Paid per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Program</b>	<b>Maximum Number of Shares Remaining to be Purchased Under the Program<sup>(1)</sup></b>
July 1, 2021 to July 31, 2021	94,142	\$ 62.47	94,142	855,858
August 1, 2021 to August 31, 2021	41,224	65.41	41,224	814,634
September 1, 2021 to September 30, 2021	—	—	—	814,634
Total	135,366	\$ 63.36	135,366	

<sup>(1)</sup>The maximum number of shares remaining to be purchased under the program was reestablished to 1.0 million shares effective October 1, 2021.

Information relating to compensation plans under which our equity securities are authorized for issuance is set forth in Part III, Item 12 of our Annual Report on Form 10-K.



**Item 6. Selected Financial Data**

The following selected financial and operating data are derived from our consolidated financial statements and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations, included in Item 7 and our Consolidated Financial Statements included in Item 8.

**Selected Summary Financial Information**

(in millions, except share and per share amounts)	Year Ended September 30,				
	2021	2020	2019	2018	2017
<b>Revenues:</b>					
Sales of physical commodities	\$ 40,961.6	\$ 52,899.2	\$ 31,830.3	\$ 26,682.4	\$ 28,673.3
Principal gains, net	892.0	622.2	415.8	354.1	297.0
Commissions and clearing fees	487.2	403.6	372.4	391.8	318.6
Consulting, management and account fees	91.0	83.7	79.6	71.1	65.0
Interest income	102.4	130.9	198.9	123.3	69.7
<b>Total revenues</b>	<b>42,534.2</b>	<b>54,139.6</b>	<b>32,897.0</b>	<b>27,622.7</b>	<b>29,423.6</b>
Cost of sales of physical commodities	40,861.1	52,831.3	31,790.9	26,646.9	28,639.6
<b>Operating revenues</b>	<b>1,673.1</b>	<b>1,308.3</b>	<b>1,106.1</b>	<b>975.8</b>	<b>784.0</b>
Transaction-based clearing expenses	271.7	222.5	183.5	179.7	136.3
Introducing broker commissions	160.5	113.8	114.7	133.8	113.0
Interest expense	49.6	80.4	142.0	70.5	32.7
Interest expense on corporate funding	41.3	23.6	12.7	10.2	9.4
<b>Net operating revenues</b>	<b>1,150.0</b>	<b>868.0</b>	<b>653.2</b>	<b>581.6</b>	<b>492.6</b>
<b>Compensation and other expenses:</b>					
Compensation and benefits	679.1	518.7	393.1	337.7	295.7
Trading systems and market information	58.8	46.3	38.8	34.7	34.4
Professional fees	40.9	30.2	21.0	18.1	15.2
Non-trading technology and support	46.0	28.4	20.1	13.9	11.6
Occupancy and equipment rental	34.2	23.5	19.4	16.5	15.2
Selling and marketing	33.3	12.2	5.2	6.2	4.0
Travel and business development	4.5	8.9	16.2	13.8	13.3
Communications	9.3	7.0	6.6	5.4	5.0
Depreciation and amortization	36.5	19.7	14.0	11.6	9.8
Bad debts, net of recoveries and impairment	10.4	18.7	2.5	3.1	4.3
(Recovery) bad debt on physical coal	—	—	(12.4)	1.0	47.0
Other	46.3	29.6	23.2	20.1	21.9
<b>Total compensation and other expenses</b>	<b>999.3</b>	<b>743.2</b>	<b>547.7</b>	<b>482.1</b>	<b>477.4</b>
Gain on acquisitions and other gains	3.4	81.9	5.5	2.0	—
<b>Income from continuing operations, before tax</b>	<b>154.1</b>	<b>206.7</b>	<b>111.0</b>	<b>101.5</b>	<b>15.2</b>
Income tax expense	37.8	37.1	25.9	46.0	8.8
<b>Net income</b>	<b>\$ 116.3</b>	<b>\$ 169.6</b>	<b>\$ 85.1</b>	<b>\$ 55.5</b>	<b>\$ 6.4</b>
<b>Earnings per share:</b>					
Basic	\$ 5.90	\$ 8.78	\$ 4.46	\$ 2.93	\$ 0.32
Diluted	\$ 5.74	\$ 8.61	\$ 4.39	\$ 2.87	\$ 0.31
<b>Number of shares:</b>					
Basic	19,130,643	18,824,328	18,738,905	18,549,011	18,395,987
Diluted	19,678,168	19,180,479	19,014,395	18,934,830	18,687,354
<b>Other Data:</b>					
Return on average stockholders' equity	13.9 %	24.9 %	15.5 %	11.6 %	1.5 %
Employees, end of period	3,242	2,950	2,012	1,701	1,607
Compensation and benefits as a percentage of operating revenues	40.6 %	39.6 %	35.5 %	34.6 %	37.7 %
<b>Selected Balance Sheet Information:</b>					
	<b>September 30, 2021</b>	<b>September 30, 2020</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
Total assets	\$ 18,839.6	\$ 13,474.9	\$ 9,936.1	\$ 7,824.7	\$ 6,243.4
Lenders under loans	\$ 248.6	\$ 268.1	\$ 202.3	\$ 355.2	\$ 230.2
Senior secured borrowings, net	\$ 507.0	\$ 515.5	\$ 167.6	\$ —	\$ —
Stockholders' equity	\$ 904.0	\$ 767.5	\$ 594.2	\$ 505.3	\$ 449.9

## **Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with the consolidated financial statements and notes thereto appearing elsewhere in this report. This Annual Report on Form 10-K contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the control of the Company, including adverse changes in economic, political and market conditions, losses from our market-making and trading activities arising from counterparty failures and changes in market conditions, the possible loss of key personnel, the impact of increasing competition, the impact of changes in government regulation, the possibility of liabilities arising from violations of foreign, U.S. federal and U.S. state securities laws, the impact of changes in technology in the securities and commodities trading industries, the failure to successfully integrate the operations of businesses acquired and the potential impact of the COVID-19 pandemic on our business, operations, results of operations, financial condition, workforce or the operations or decisions of our customers, suppliers or business customers. Although we believe that our forward-looking statements are based upon reasonable assumptions regarding our business and future market conditions, there can be no assurances that our actual results will not differ materially from any results expressed or implied by our forward-looking statements. Factors that might cause such a difference include, among other things, those set forth under “Risk Factors” and those appearing elsewhere in this Form 10-K. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect management’s analysis only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. We caution readers that any forward-looking statements are not guarantees of future performance.

### **Overview**

We operate a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service and deep expertise. We strive to be the one trusted partner to our clients, providing our network, product and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. Our businesses are supported by our global infrastructure of regulated operating subsidiaries, our advanced technology platform and our team of more than 3,200 employees as of September 30, 2021. We believe our client-first approach differentiates us from large banking institutions, engenders trust and has enabled us to establish leadership positions in a number of complex fields in financial markets around the world. For additional information, see *Overview of Business and Strategy* within Item 1. Business section of this Annual Report on Form 10-K.

Our operating segments are based primarily on the nature of the clients we serve, consisting of Commercial, Institutional, Retail, and Global Payments clients. This structure allows us to efficiently serve clients in more than 180 countries and manage our large global footprint. See Segment Information for a listing of business activities performed within our reportable segments.

StoneX Group Inc. and its trade name "StoneX" carries forward the foundation established by Saul Stone in 1924 to today's modern financial services firm. Today, we provide an institutional-grade financial services ecosystem, connecting our clients to 36 derivatives exchanges, 185 foreign exchange markets, nearly every global securities marketplace, and a number of bi-lateral liquidity venues via our networks of highly integrated digital platforms and experienced professionals. Our platform delivers support throughout the entire lifecycle of a transaction, from consulting and boots-on-the-ground intelligence, to efficient execution, to post-trade clearing, custody and settlement.

### **COVID Impact**

Beginning in the second quarter of fiscal 2020 and continuing through the fourth quarter of fiscal 2021, worldwide social and economic activity has been severely impacted by the spread and threat of COVID-19. In March 2020, COVID-19 was recognized as a global pandemic and spread to many regions of the world, including all countries in which we have operations. The responses by governments and societies to the COVID-19 pandemic, which include temporary closures of businesses, social distancing, travel restrictions, “shelter in place” and other governmental regulations and various economic stimulus programs, have significantly impacted market volatility and general economic conditions. We have and continue to closely track the evolving impact of COVID-19 and are focused on helping our customers and employees through these difficult times.

### **Current Results of Operations**

The COVID-19 pandemic has resulted in significant market volatility and unprecedented market conditions. Our fourth quarter results continue to reflect revenue growth in Equity and Debt Capital Markets over the prior year primarily related to increased customer flow to our equity market making desk and a widening of spreads in fixed income products, albeit to a lesser extent than in the third quarter of fiscal 2020, as a result of periods of higher volatility in the global markets due to economic concerns related to the COVID-19 pandemic. We have also seen a significant increase in customer demand for precious metals in light of

the COVID-19 global pandemic and the resulting effect on the global economy. This revenue growth has been partially offset by the effect of the actions of the Federal Open Market Committee (“FOMC”), which immediately reduced short term interest rates by 100 basis points in March 2020 in response to the economic effect of the pandemic and the resulting effect on our interest and fee income earned on client balances as well as increases in bad debt expense, reflective of the effect of the global pandemic on our client base.

#### *Employees*

We have taken actions to minimize risk to our employees, including restricting travel and providing secure and efficient remote work options for our team members. These steps leveraged our existing operational contingency plans at every level of the organization, ensuring business process and control continuity, while preventing major disruption to our clients and operations.

#### *Business Continuity Plans*

We deployed business continuity plans to ensure we continue to serve our customers while maintaining operational flexibility through the evolving conditions described above, including the ability to work remotely for all of our staff, as needed.

The full extent to which the COVID-19 pandemic will impact our business and operating results will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, including variants of COVID-19 emerging from time-to-time, and the mitigation efforts by government entities, as well as our own immediate and continuing COVID-19 operational response. We have taken, and will continue to take, active and decisive steps in this time of uncertainty and remain committed to the safety of our employees, while also continuing to serve our customers.

#### *Executive Summary*

In fiscal 2021 we continued to benefit from our diversified product offering and client base, achieving operating revenue growth across all of our operating segments. Increased volatility in commodity prices drove significant growth in operating revenues from both listed and OTC derivatives, and while spreads in securities products have declined versus the prior year, which benefited from volatility related to the onset of the COVID-19 pandemic, we experienced significant growth in securities volumes leading to growth in operating revenues from securities contracts. We continue to face the headwind of historically low short-term interest rates, with interest and fee income on client balances declining \$16.7 million, or 39%, to \$26.0 million in the year ended September 30, 2021, however we experienced strong growth in our client balances, as average client equity and average money-market/FDIC sweep balances increased 39% and 30%, respectively compared to the year ended September 30, 2020.

Operating revenues increased \$364.8 million, or 28%, to \$1,673.1 million in the year ended September 30, 2021 compared to \$1,308.3 million in the year ended September 30, 2020, led by our Retail segment, which added \$208.0 million compared to the year ended September 30, 2020, principally related to the acquisition of Gain, effective August 1, 2020. In addition, our Commercial and Institutional segments added \$103.3 million and \$44.3 million, respectively, compared to the year ended September 30, 2020, while our Global Payments segment added \$19.9 million.

Overall segment income increased \$111.1 million, or 28%, compared to the year ended September 30, 2020. This growth in segment income was led by our Commercial segment which increased \$50.3 million, or 35% compared to the year ended September 30, 2020, as a result of strong growth in operating revenues, benefiting from increased volatility and customer activity, primarily in agricultural and metal commodity markets.

Institutional segment income increased \$14.8 million, or 10% compared to the year ended September 30, 2020. This growth was principally driven by an 7% increase in operating revenues, most notably in securities transactions, where securities average daily volumes (“ADV”) increased 61% compared to the year ended September 30, 2020, which was partially offset by a 28% decline in securities rate per million (“RPM”) earned. In addition, bad debts, net of recoveries and impairments in the Institutional segment declined \$9.2 million compared to the year ended September 30, 2020. These net positive variances were partially offset by a \$16.3 million decline in interest and fee income earned on average client equity and FDIC sweep balances compared to the year ended September 30, 2020.

Segment income in our Retail segment increased \$36.1 million or 114% compared to the year ended September 30, 2020, primarily as a result of the acquisition of Gain as well as an increase in customer activity in our retail precious metal and independent wealth management businesses.

Finally, Global Payments segment income increased \$9.9 million, or 14% compared to the year ended September 30, 2020, as average daily volumes increased 20% compared to the year ended September 30, 2020. This was partially offset by a \$4.2 million increase in non-variable direct expenses, primarily fixed compensation and benefits.

Interest expense related to corporate funding purposes increased \$17.7 million to \$41.3 million in the year ended September 30, 2021 compared to \$23.6 million in the year ended September 30, 2020, primarily due to incremental interest related to the

issuance of senior secured notes during June 2020, partially offset by lower short-term interest rates on our senior secured syndicated loan facility.

On the expense side, we continue to focus on maintaining our variable cost model and limiting the growth of our non-variable expenses. Reflecting such efforts, variable expenses were 56% of total expenses in the current period compared to 59% in the prior year period. Non-variable expenses, excluding bad debts increased \$183.5 million compared to the year ended September 30, 2020, principally due to the Gain acquisition in the fourth quarter of fiscal 2020.

Net income decreased \$53.3 million to \$116.3 million in the year ended September 30, 2021 compared to \$169.6 million in the year ended September 30, 2020. Diluted earnings per share were \$5.74 for the year ended September 30, 2021 compared to \$8.61 in the year ended September 30, 2020. Net income includes gains on acquisitions of \$3.3 million and \$81.9 million for the years ended September 30, 2021 and 2020, respectively. These gains on acquisitions are non-taxable, and accordingly there is no corresponding income tax provision amounts recorded related to the gains.

#### *Selected Summary Financial Information*

#### **Results of Operations**

Set forth below is our discussion of the results of our operations, as viewed by management, for the periods indicated.

#### **Financial Overview**

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Revenues:</b>					
Sales of physical commodities	\$ 40,961.6	(23)%	\$ 52,899.2	66%	\$ 31,830.3
Principal gains, net	892.0	43%	622.2	50%	415.8
Commission and clearing fees	487.2	21%	403.6	8%	372.4
Consulting, management, and account fees	91.0	9%	83.7	5%	79.6
Interest income	102.4	(22)%	130.9	(34)%	198.9
<b>Total revenues</b>	<b>42,534.2</b>	<b>(21)%</b>	<b>54,139.6</b>	<b>65%</b>	<b>32,897.0</b>
Cost of sales of physical commodities	40,861.1	(23)%	52,831.3	66%	31,790.9
<b>Operating revenues</b>	<b>1,673.1</b>	<b>28%</b>	<b>1,308.3</b>	<b>18%</b>	<b>1,106.1</b>
Transaction-based clearing expenses	271.7	22%	222.5	21%	183.5
Introducing broker commissions	160.5	41%	113.8	(1)%	114.7
Interest expense	49.6	(38)%	80.4	(43)%	142.0
Interest expense on corporate funding	41.3	75%	23.6	86%	12.7
<b>Net operating revenues</b>	<b>1,150.0</b>	<b>32%</b>	<b>868.0</b>	<b>33%</b>	<b>653.2</b>
Compensation and benefits	679.1	31%	518.7	32%	393.1
Bad debts, net of recoveries and impairments	10.4	(44)%	18.7	648%	2.5
Recovery of bad debt on physical coal	—	—%	—	(100)%	(12.4)
Other expenses	309.8	51%	205.8	25%	164.5
<b>Total compensation and other expenses</b>	<b>999.3</b>	<b>34%</b>	<b>743.2</b>	<b>36%</b>	<b>547.7</b>
Gain on acquisitions and other gains	3.4	(96)%	81.9	1,389%	5.5
<b>Income before tax</b>	<b>154.1</b>	<b>(25)%</b>	<b>206.7</b>	<b>86%</b>	<b>111.0</b>
Income tax expense	37.8	2%	37.1	43%	25.9
<b>Net income</b>	<b>\$ 116.3</b>	<b>(31)%</b>	<b>\$ 169.6</b>	<b>99%</b>	<b>\$ 85.1</b>

The tables below present a disaggregation of consolidated operating revenues and select operating data and metrics used by management in evaluating our performance, for the periods indicated:

	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Operating Revenues (in millions):</b>					
Listed derivatives	\$ 387.6	18%	\$ 328.5	4%	\$ 317.1
OTC derivatives	143.4	29%	111.2	13%	98.3
Securities	533.6	16%	458.3	39%	329.3
FX / Contract for Difference (“CFD”) contracts <sup>(1)</sup>	242.0	262%	66.9	207%	21.8
Global payments	133.8	17%	114.6	3%	110.8
Physical contracts	152.6	25%	122.4	65%	74.0
Interest / fees earned on client balances	26.0	(39)%	42.7	(49)%	83.9
Other	69.5	2%	68.4	(9)%	75.2
Corporate Unallocated	1.7	(88)%	14.6	(30)%	20.8
Eliminations	(17.1)	(11)%	(19.3)	(23)%	(25.1)
	<u>\$ 1,673.1</u>	<u>28%</u>	<u>\$ 1,308.3</u>	<u>18%</u>	<u>\$ 1,106.1</u>

<sup>(1)</sup> Operating revenues from FX / CFD contracts for the year ended September 30, 2020 includes 43 trading days of Gain activity from the period post-acquisition of Gain, which was acquired effective August 1, 2020. Gain activity is shown in our Retail segment, along with our pre-existing FX activities, which are shown in our Institutional segment. Both had a full year of trading days during the year ended September 30, 2020.

	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Volumes and Other Select Data (all \$ amounts are U.S. dollar or U.S. dollar equivalents):</b>					
Listed derivatives (contracts, 000’s)	146,101	(6)%	154,652	20%	128,898
Listed derivatives, average rate per contract <sup>(1)</sup>	\$ 2.55	29%	\$ 1.98	(9)%	\$ 2.17
Average client equity - listed derivatives (millions)	\$ 3,842	39%	\$ 2,765	33%	\$ 2,073
Over-the-counter (“OTC”) derivatives (contracts, 000’s)	2,557	21%	2,113	19%	1,772
OTC derivatives, average rate per contract	\$ 55.70	7%	\$ 52.19	(5)%	\$ 55.19
Securities average daily volume (“ADV”) (millions)	\$ 2,776	61%	\$ 1,729	20%	\$ 1,440
Securities rate per million (“RPM”) <sup>(2)</sup>	\$ 610	(28)%	\$ 845	23%	\$ 685
Average money market / FDIC sweep client balances (millions)	\$ 1,471	30%	\$ 1,130	43%	\$ 791
FX / CFD contracts ADV (millions) <sup>(3)</sup>	\$ 10,636	10%	\$ 9,679	611%	\$ 1,361
FX / CFD contracts RPM	\$ 89	(8)%	\$ 97	70%	\$ 57
Global Payments ADV (millions)	\$ 54	20%	\$ 45	—%	\$ 45
Global Payments RPM	\$ 9,921	(2)%	\$ 10,092	3%	\$ 9,805

<sup>(1)</sup> Give-up fees, as well as cash and voice brokerage revenues are excluded from the calculation of listed derivatives, average rate per contract.

<sup>(2)</sup> Interest income related to securities lending is excluded from the calculation of Securities RPM.

<sup>(3)</sup> ADV for the year ended September 30, 2020 includes 43 trading days of Gain activity from the period post-acquisition of Gain, which was acquired effective August 1, 2020. Gain activity is shown in our Retail segment, along with our pre-existing FX activities, which are shown in our Institutional segment. Both had a full year of trading days during the year ended September 30, 2020.

## Operating Revenues

### Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

Operating revenues increased \$364.8 million, or 28%, to \$1,673.1 million in the year ended September 30, 2021 compared to \$1,308.3 million in the year ended September 30, 2020. The table above displays operating revenues disaggregated across the key products we provide to our clients.

Operating revenues derived from listed derivatives increased \$59.1 million, or 18%, to \$387.6 million in the year ended September 30, 2021 compared to \$328.5 million in the year ended September 30, 2020, principally driven by a 29% increase in the average rate per contract, which was partially offset by a 6% decline in listed derivative volumes.

Operating revenues in OTC derivatives increased \$32.2 million, or 29%, to \$143.4 million in the year ended September 30, 2021 compared to \$111.2 million in the year ended September 30, 2020. This growth was principally driven by increased customer activity in agricultural markets which drove a 21% increase in OTC contract volumes.

Operating revenue from securities transactions increased \$75.3 million, or 16%, to \$533.6 million in the year ended September 30, 2021 compared to \$458.3 million in the year ended September 30, 2020. This was principally a result of a 61% increase in securities ADV driven by increased customer activity in fixed income markets and to a lesser extent equity products, which was partially offset by a 28% decline in RPM as a result of lower spreads in fixed income products.

Operating revenues from FX/CFD contracts increased \$175.1 million, or 262%, to \$242.0 million in the year ended September 30, 2021 compared to \$66.9 million in the year ended September 30, 2020, as a result of an incremental \$183.0 million increase in FX/CFD contracts operating revenues in our Retail segment resulting from the acquisition of Gain, which was partially offset by lower FX operating revenues in our Institutional FX prime brokerage business.

Operating revenues from global payments increased by \$19.2 million, or 17%, to \$133.8 million in the year ended September 30, 2021 compared to \$114.6 million in the year ended September 30, 2020, principally as a result of a 20% increase in ADV.

Operating revenues from physical contracts increased \$30.2 million, or 25%, to \$152.6 million in the year ended September 30, 2021 compared to \$122.4 million in the year ended September 30, 2020, principally due to increased customer activity in agricultural and energy commodities as well as continued strong customer demand for precious metals.

Interest and fee income earned on client balances, which is associated with our listed and OTC derivative businesses, as well as our correspondent clearing and independent wealth management businesses, declined \$16.7 million, or 39%, to \$26.0 million in the year ended September 30, 2021 compared to \$42.7 million in the year ended September 30, 2020, principally as a result of a significant decline in short term interest rates related to the FOMC's actions to reduce the federal funds rate in March 2020. Partially offsetting the decline in short term interest rates was an increase in average client equity and average FDIC sweep client balances of 39% and 30%, respectively.

Finally, related to the transfer of the majority of the operations of Gain's U.K. domiciled subsidiaries into StoneX Financial Ltd., a U.S. dollar denominated entity, which was completed during the quarter ended March 2021, operating revenues for the year ended September 30, 2021 include a \$5.0 million loss on derivative positions entered into to mitigate our exposure to the British Pound in the Gain subsidiaries in advance of the transfer as well as a \$0.4 million foreign currency gain on revaluation related to the Gain U.K. domiciled subsidiaries. Prior to the transfer, the assets and liabilities of Gain's U.K. subsidiaries were subject to translation to the U.S. dollar, and for the period beginning October 2020 through March 31, 2021, the foreign currency translation adjustment related to Gain's U.K. subsidiaries resulted in a \$10.3 million increase in "accumulated other comprehensive income".

#### *Year Ended September 30, 2020 Compared to Year Ended September 30, 2019*

Operating revenues increased 18% to \$1,308.3 million in the year ended September 30, 2020 compared to \$1,106.1 million in the year ended September 30, 2019.

The table above displays operating revenues disaggregated across the products in which we conduct our business. Operating revenues in listed derivatives increased \$11.4 million, or 4% to \$328.5 million in the year ended September 30, 2020 compared to \$317.1 million in the year ended September 30, 2019, primarily a result of a 20% increase in listed derivative volumes while the average rate per contract declined 9%.

Operating revenues in OTC derivatives increased \$12.9 million, or 13% to \$111.2 million in the year ended September 30, 2020 compared to \$98.3 million in the year ended September 30, 2019, driven by a 19% increase in OTC derivative volumes driven by heightened volatility in energy and renewable fuels markets.

Operating revenue from Securities transactions increased \$129.0 million, or 39% to \$458.3 million in the year ended September 30, 2020 compared to \$329.3 million in the year ended September 30, 2019, primarily as a result of a 20% increase in securities ADV as well as a 23% increase in RPM, each of which were driven by heightened volatility in the global equity and fixed income markets due to economic concerns related to the COVID-19 pandemic.

Operating revenues from FX/CFD contracts increased \$45.1 million, or 207% to \$66.9 million in the year ended September 30, 2020 compared to \$21.8 million in the year ended September 30, 2019, as a result of a \$42.9 million increase in retail FX/CFD contracts operating revenues driven by the acquisition of Gain in the fourth quarter fiscal 2020.

Operating revenues from global payments increased by \$3.8 million, or 3% to \$114.6 million in the year ended September 30, 2020 compared to \$110.8 million in the year ended September 30, 2019, as a result of a 3% increase in the RPM as the ADV was relatively flat with the prior year at \$45 as the results of the global economic slowdown related to the COVID-19 pandemic inhibited growth.

Operating revenues from physical contracts increased \$48.4 million, or 65% to \$122.4 million in the year ended September 30, 2020 compared to \$74.0 million in the year ended September 30, 2019, primarily due to a significant increase in customer demand for precious metals as well as a widening of spreads due to market dislocations related to the COVID-19 pandemic. This was partially offset by a \$7.6 million loss on a lower of cost or net realizable value adjustment for certain physical inventories in energy commodities in the year ended September 30, 2020.

Finally, interest and fee income earned on client balances, which is associated with our listed and OTC derivative businesses, as well as our correspondent clearing and independent wealth management businesses, declined \$41.2 million, or 49% to \$42.7 million in the year ended September 30, 2020 compared to \$83.9 million in the year ended September 30, 2019 as a result of a significant decline in short term interest rates related to FOMC actions to reduce the federal funds rate beginning in August 2019. Partially offsetting the decline in short term interest rates was an increase in average client equity and average FDIC sweep client balances of 33% and 43%, respectively.

### Interest and Transactional Expenses

Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

#### Transaction-based clearing expenses

	Year Ended September 30,			
	2021	2020	\$ Change	% Change
Transaction-based clearing expenses	\$ 271.7	\$ 222.5	\$ 49.2	22 %
Percentage of operating revenues	16 %	17 %		

The increase in transaction-based clearing expense is principally due to incremental costs in the retail forex business within our Retail segment related to the acquisition of Gain effective August 1, 2020, and also from higher clearing and exchange fees within our Institutional segment, resulting from the increase in securities ADV, and our Commercial segment, resulting from the increase in listed derivative contract volumes.

#### Introducing broker commissions

	Year Ended September 30,			
	2021	2020	\$ Change	% Change
Introducing broker commissions	\$ 160.5	\$ 113.8	\$ 46.7	41 %
Percentage of operating revenues	10 %	9 %		

The increase in introducing broker commissions is principally due to increases in our Retail and Institutional segments related to incremental expense from the Gain acquisition. Additionally, higher revenues have resulted in increased costs within our Commercial segment and our Independent Wealth Management business.

#### Interest expense

	Year Ended September 30,			
	2021	2020	\$ Change	% Change
Interest expense attributable to:				
Trading activities:				
Institutional dealer in fixed income securities	\$ 9.6	\$ 33.5	\$ (23.9)	(71)%
Securities borrowing	17.6	25.0	(7.4)	(30)%
Short-term financing facilities of subsidiaries and other direct interest of operating segments	22.4	21.9	0.5	2 %
	49.6	80.4	(30.8)	(38)%
Corporate funding	41.3	23.6	17.7	75 %
Total interest expense	\$ 90.9	\$ 104.0	\$ (13.1)	(13)%

The decrease in interest expense attributable to trading activities is principally due to the decrease in short-term interest rates. Interest expense on corporate funding increased principally due to incremental interest related to the issuance of our senior secured notes during June 2020, partially offset by lower short-term interest rates on our senior secured syndicated loan facility. In June 2020, we completed the issuance and sale of \$350.0 million in aggregate principal amount of the Company's 8.625% Senior Secured Notes due 2025 at the offering price of 98.5% of the aggregate principal amount.

Year Ended September 30, 2020 Compared to Year Ended September 30, 2019

### Transaction-based clearing expenses

	Year Ended September 30,			
	2020	2019	\$ Change	% Change
Transaction-based clearing expenses	\$ 222.5	\$ 183.5	\$ 39.0	21 %
Percentage of operating revenues	17 %	17 %		

The increase in transaction-based clearing expenses primarily resulted from higher listed derivative contracts, higher clearing and exchange fees within Equity Capital Markets and incremental costs in Retail Forex related to the acquisition of Gain effective August 1, 2020.

### Introducing broker commissions

	Year Ended September 30,			
	2020	2019	\$ Change	% Change
Introducing broker commissions	\$ 113.8	\$ 114.7	\$ (0.9)	(1)%
Percentage of operating revenues	9 %	10 %		

The decrease in expense is primarily due to decreased activity of listed derivatives within our Institutional and Commercial segments, partially offset by expense increases in our Retail segment due to incremental expense from the Gain acquisition and increased activity in our Independent Wealth Management business as a result of higher revenues.

### Interest expense

	Year Ended September 30,			
	2020	2019	\$ Change	% Change
Interest expense attributable to:				
Trading activities:				
Institutional dealer in fixed income securities	\$ 33.5	\$ 73.9	\$ (40.4)	(55)%
Securities borrowing	25.0	35.8	(10.8)	(30)%
Short-term financing facilities of subsidiaries and other direct interest of operating segments	21.9	32.3	(10.4)	(32)%
	80.4	142.0	(61.6)	(43)%
Corporate funding	23.6	12.7	10.9	86 %
Total interest expense	104.0	154.7	(50.7)	(33)%

Interest expense attributable to trading activities decreased principally due to the impact of changes in the short-term interest rate environment. Interest expense on short-term financing facilities of subsidiaries and other direct interest expense of operating segments decreased principally due to the decrease in short-term interest rates along with lower average borrowings outstanding on our physical commodities financing facilities.

Interest expense related to corporate funding purposes increased principally to incremental interest related to the June 2020 issuance and sale of \$350 million in aggregate principal amount of the Company's 8.625% Senior Secured Notes due 2025 at the offering price of 98.5% of the aggregate principal amount.

### **Net Operating Revenues**

Net operating revenues is one of the key measures used by management to assess the performance of our operating segments. Net operating revenue is calculated as operating revenue less transaction-based clearing expenses, introducing broker commissions and interest expense. Transaction-based clearing expenses represent variable expenses paid to executing brokers, exchanges, clearing organizations and banks in relation to our transactional volumes. Introducing broker commissions include commission paid to non-employee third parties that have introduced clients to us. Net operating revenues represent revenues available to pay variable compensation to risk management consultants and traders and direct non-variable expenses, as well as variable and non-variable expenses of operational and administrative employees, including our executive management team.



The table below presents a disaggregation of consolidated net operating revenues used by management in evaluating our performance, for the periods indicated:

	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Net Operating Revenues (in millions):</b>					
Listed derivatives	\$ 173.8	21%	\$ 143.9	—%	\$ 143.4
OTC derivatives	143.4	29%	111.2	13%	98.2
Securities	357.8	24%	287.9	112%	135.7
FX / CFD contracts	193.2	249%	55.4	195%	18.8
Global Payments	126.4	16%	108.7	4%	105.0
Physical contracts	136.2	27%	107.1	90%	56.5
Interest, net / fees earned on client balances	22.9	(35)%	35.4	(47)%	67.3
Other	51.1	19%	42.9	10%	39.1
Corporate Unallocated	(54.8)	124%	(24.5)	127%	(10.8)
	<u>\$ 1,150.0</u>	<u>32%</u>	<u>\$ 868.0</u>	<u>33%</u>	<u>\$ 653.2</u>

## Compensation and Other Expenses

The following table presents a summary of expenses, other than interest and transactional expenses.

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Compensation and benefits:</b>					
Variable compensation and benefits	\$ 377.7	27%	\$ 296.8	40%	\$ 211.6
Fixed compensation and benefits	301.4	36%	221.9	22%	181.5
	<u>679.1</u>	<u>31%</u>	<u>518.7</u>	<u>32%</u>	<u>393.1</u>
<b>Other expenses:</b>					
Trading systems and market information	58.8	27%	46.3	19%	38.8
Professional fees	40.9	35%	30.2	44%	21.0
Non-trading technology and support	46.0	62%	28.4	41%	20.1
Occupancy and equipment rental	34.2	46%	23.5	21%	19.4
Selling and marketing	33.3	173%	12.2	135%	5.2
Travel and business development	4.5	(49)%	8.9	(45)%	16.2
Communications	9.3	33%	7.0	6%	6.6
Depreciation and amortization	36.5	85%	19.7	41%	14.0
Bad debts, net of recoveries and impairment	10.4	(44)%	18.7	648%	2.5
Recovery of bad debt on physical coal	—	—%	—	(100)%	(12.4)
Other	46.3	56%	29.6	28%	23.2
	<u>320.2</u>	<u>43%</u>	<u>224.5</u>	<u>45%</u>	<u>154.6</u>
Total compensation and other expenses	<u>\$ 999.3</u>	<u>34%</u>	<u>\$ 743.2</u>	<u>36%</u>	<u>\$ 547.7</u>

Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

**Compensation and Other Expenses:** Compensation and other expenses increased \$256.1 million, or 34%, to \$999.3 million in the year ended September 30, 2021 compared to \$743.2 million in the year ended September 30, 2020.

**Compensation and Benefits:**

(in millions)	Year Ended September 30,			
	2021	2020	\$ Change	% Change
<b>Compensation and benefits:</b>				
Variable compensation and benefits				
Front office	\$ 333.5	\$ 251.0	\$ 82.5	33 %
Administrative, executive, and centralized and local operations	44.2	45.8	(1.6)	(3)%
<b>Total variable compensation and benefits</b>	<b>377.7</b>	<b>296.8</b>	<b>80.9</b>	<b>27 %</b>
<i>Variable compensation and benefits as a percentage of net operating revenues</i>	<i>33 %</i>	<i>34 %</i>		
Fixed compensation and benefits:				
Non-variable salaries	204.7	159.0	45.7	29 %
Employee benefits and other compensation, excluding share-based compensation	82.8	52.6	30.2	57 %
Share-based compensation	13.9	10.3	3.6	35 %
<b>Total fixed compensation and benefits</b>	<b>301.4</b>	<b>221.9</b>	<b>79.5</b>	<b>36 %</b>
<b>Total compensation and benefits</b>	<b>679.1</b>	<b>518.7</b>	<b>160.4</b>	<b>31 %</b>
<i>Total compensation and benefits as a percentage of operating revenues</i>	<i>41 %</i>	<i>40 %</i>		
Number of employees, end of period	3,242	2,950	292	10 %

Non-variable salaries increased principally due to a full year of the costs associated with the Gain acquisition in the fourth quarter of the year ended September 30, 2020.

Employee benefits and other compensation, excluding share-based compensation, increased principally due to higher payroll, benefits, and retirement costs from the increased headcount. Share-based compensation is a component of the fixed portion, and includes stock option and restricted stock expense.

Fixed compensation and benefits during the year ended September 30, 2021 include severance costs of \$7.7 million, principally due to the departure of certain senior officers. During the year ended September 30, 2020, severance costs were \$1.5 million.

**Other Expenses:** Other non-compensation expenses increased \$95.7 million, or 43%, to \$320.2 million in the year ended September 30, 2021 compared to \$224.5 million in the year ended September 30, 2020.

Trading systems and market information costs increased \$12.5 million, principally due to incremental costs in the retail forex business acquired as part of the Gain acquisition in the fourth quarter of fiscal 2020 and higher costs in our Institutional segment.

Professional fees increased \$10.7 million, principally due to higher legal, consulting and accounting services fees.

Non-trading technology and support increased \$17.6 million, principally due to incremental costs related to the Gain acquisition in the fourth quarter of fiscal 2020 in addition to higher non-trading software implementation costs related to various IT, client engagement, and accounting systems.

Occupancy and equipment rental increased \$10.7 million, principally due to additional leased office space.

Selling and marketing costs increased \$21.1 million, principally due to incremental costs related to the acquired retail forex business, partially offset by the prior year including costs for the bi-annual global sales meeting held in February 2020.

Travel and business development decreased \$4.4 million principally as a result of the impact of the response by governments and regulatory bodies to the COVID-19 pandemic, which included social distancing; travel restrictions, “shelter in place” and other governmental regulations.

Communications increased \$2.3 million, principally due to incremental costs related to the Gain acquisition in the fourth quarter of fiscal 2020.

Depreciation and amortization increased \$16.8 million, principally due to the amortization costs of the acquired intangible assets related to the Gain acquisition, as well as increases in depreciation of IT hardware, third-party software, internally developed software, and amortization of leasehold improvements.

Other expenses increased \$16.7 million, primarily due to incremental costs from recent acquisitions most notably related to higher non-income taxes, insurance and recruiting costs.

Bad debts, net of recoveries and impairment decreased \$8.3 million year-over-year. During the year ended September 30, 2021, bad debts, net of recoveries were \$10.4 million, principally related to client trading account deficits in our Commercial, Institutional, and Retail segments of \$3.4 million, \$0.6 million, and \$1.1 million, respectively. Additionally, we recorded bad debt expense of \$5.1 million related to trade receivables with physical clients.

During the year ended September 30, 2020, bad debts, net of recoveries were \$13.0 million, primarily related to client trading account deficits in our Commercial, Institutional, and Retail segments of \$3.5 million, \$5.7 million, and \$0.6 million, respectively. Additionally, we recorded bad debt expense of \$3.2 million related to trade receivables with physical clients.

In connection with the integration of Gain, the Company re-evaluated all trading systems utilized across the organization in order to identify duplicative systems. In connection with this process, the Company determined that certain legacy capitalized developed software costs within our OTC foreign exchange and physical metals business would no longer be placed into service and utilized as expected prior to the merger with Gain. As a result, the Company recorded impairment charges of \$5.7 million in the year ended September 30, 2020.

**Gain on Acquisitions and Other Gains:** The results of the year ended September 30, 2021 include a gain of \$3.3 million related to an adjustment to the liabilities assumed as part of the Gain acquisition initially determined values, as of August 1, 2020. The results of the year ended September 30, 2020 included gain on acquisitions of \$81.9 million, principally related to the acquisition of Gain.

**Provision for Taxes:** The effective income tax rate was 25% in the year ended September 30, 2021 compared to 18% in the year ended September 30, 2020. The gains on acquisitions of \$3.3 million and \$81.9 million in the year ended September 30, 2021 and 2020, respectively, are not taxable and reduced the effective income tax rate 0.5% and 8.3% in the year ended September 30, 2021 and 2020, respectively.

The effective income tax rate for the year ended September 30, 2021 was higher than the U.S. federal statutory rate of 21% due to U.S. state and local taxes, global intangible low-taxed income (“GILTI”), U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher tax rates. The effective rate for the year ended September 30, 2020 was lower than the U.S. federal statutory rate of 21% due to the non-taxable gain recognized upon the acquisition of Gain.

#### *Year Ended September 30, 2020 Compared to Year Ended September 30, 2019*

**Compensation and Other Expenses:** Compensation and other expenses increased \$195.5 million, or 36%, to \$743.2 million in the year ended September 30, 2020 compared to \$547.7 million in the year ended September 30, 2019.

#### **Compensation and Benefits:**

(in millions)	Year Ended September 30,			
	2020	2019	\$ Change	% Change
<b>Compensation and benefits:</b>				
Variable compensation and benefits				
Front office	\$ 251.0	\$ 179.5	\$ 71.5	40 %
Administrative, executive, and centralized and local operations	45.8	32.1	13.7	43 %
Total variable compensation and benefits	296.8	211.6	85.2	40 %
<i>Variable compensation and benefits as a percentage of net operating revenues</i>	34 %	32 %		
Fixed compensation and benefits:				
Non-variable salaries	159.0	128.3	30.7	24 %
Employee benefits and other compensation, excluding share-based compensation	52.6	45.1	7.5	17 %
Share-based compensation	10.3	8.1	2.2	27 %
Total fixed compensation and benefits	221.9	181.5	40.4	22 %
Total compensation and benefits	518.7	393.1	125.6	32 %
<i>Total compensation and benefits as a percentage of operating revenues</i>	40 %	36 %		
Number of employees, end of period	2,950	2,012	938	47 %

Non-variable salaries increased principally due to the acquisitions and new business initiatives during the year ended September 30, 2020.

Employee benefits and other compensation, excluding share-based compensation, increased principally due to higher payroll, health care and retirement costs from the increased headcount. Share-based compensation is a component of the fixed portion, and includes stock option and restricted stock expense.

**Other Expenses:** Other non-compensation expenses increased \$69.9 million, or 45%, to \$224.5 million in the year ended September 30, 2020 compared to \$154.6 million in the year ended September 30, 2019. Other non-compensation expenses related to acquisitions and new business initiatives began after September 2018 added \$27.7 million.

Trading systems and market information costs increased \$7.5 million, of which \$6.1 million was related to incremental costs from recent acquisitions and new business initiatives.

Professional fees increased \$9.2 million, primarily related to acquisition-specific closing costs.

Non-trading technology and support increased \$8.3 million, primarily due to higher costs from non-trading software as a service arrangements related to various IT, client engagement, accounting and human resources systems, higher costs from external data center services, and incremental costs due to acquisitions and new business initiatives during the year ended September 30, 2020.

Occupancy and equipment rental increased \$4.1 million, primarily related to higher office lease costs of \$3.7 million, including \$1.5 million in incremental costs from recent acquisitions.

Selling and marketing costs increased \$7.0 million, primarily related to incremental costs from the acquisition of Gain.

Travel and business development decreased \$7.3 million primarily as a result of the impact of the response by governments and regulatory bodies to the COVID-19 pandemic, which included social distancing; travel restrictions, “shelter in place” and other governmental regulations.

Depreciation and amortization increased primarily due to higher depreciation expense of leaseholds and IT equipment, and higher amortization expense of intangible assets recorded as part of the acquisitions completed during the year ended September 30, 2020.

Excluding the recovery of bad debt on physical coal discussed below, bad debts, net of recoveries and impairment increased \$16.2 million year-over-year. During the year ended September 30, 2020, bad debts, net of recoveries were \$13.0 million, primarily related to client trading account deficits in our Commercial, Institutional, and Retail segments of \$3.5 million, \$5.7 million, and \$0.6 million, respectively. Additionally, we recorded bad debt expense of \$3.2 million related to trade receivables with physical clients. During the year ended September 30, 2019, bad debts, net of recoveries were \$2.5 million, primarily related to \$2.7 million of OTC client account deficits, partially offset by a \$1.4 million client recovery, in the Commercial segment and \$1.4 million in the Institutional segment.

In connection with the integration of Gain, the Company re-evaluated all trading systems utilized across the organization in order to identify duplicative systems. In connection with this process, the Company determined that certain legacy capitalized developed software costs within our OTC foreign exchange and physical metals business would no longer be placed into service and utilized as expected prior to the merger with Gain. As a result, the Company recorded impairment charges of \$5.7 million in the year ended September 30, 2020.

**Recovery of Bad Debt on Physical Coal:** During the year ended September 30, 2019, we recorded recoveries on the bad debt on physical coal of \$12.4 million related to settlements reached with clients and proceeds received through an insurance policy claim related to a physical coal bad debt.

**Gain on Acquisitions and Other Gains:** The results of the year ended September 30, 2020 included a gain of \$81.8 million related to the acquisition of Gain. The results of the year ended September 30, 2019 included gains of \$5.5 million, primarily related to the acquisition of the former subsidiary GMP Securities LLC, which was subsequently merged into StoneX Financial Inc.

**Provision for Taxes:** The effective income tax rate was 18% in the year ended September 30, 2020 compared to 23% in the year ended September 30, 2019. The effective income tax rate for the year ended September 30, 2020 was lower than the U.S. federal statutory rate of 21% due to the non-taxable bargain purchase gain recognized upon the acquisition of Gain. State income tax, GILTI, U.S. and foreign permanent differences, and an increase to foreign valuation allowances increased the effective income tax rate. The bargain purchase gain on acquisitions of \$81.9 million is not taxable and reduced the effective income tax rate 8%. The estimated federal expense from GILTI increased the effective income tax rate approximately 0.7%. State income tax expense increased the effective income tax rate 1.0%. U.S. and foreign permanent differences increased the effective income tax rate approximately 1.4%. The increase in foreign valuation allowances also increased the effective income tax rate 1.0%. The effective income tax rate for fiscal 2019 was 23%. It was higher than the U.S. federal statutory rate of 21% due to GILTI, earnings taxed at a higher rate, foreign permanent differences, and an increase in foreign valuation allowances.

The effective income tax rate can vary from period to period depending on, among other factors, the geographic and business mix of our earnings.

### Variable vs. Fixed Expenses

The table below sets forth our variable expenses and non-variable expenses as a percentage of total non-interest expenses for the periods indicated.

(in millions)	Year Ended September 30,					
	2021	% of Total	2020	% of Total	2019	% of Total
Variable compensation and benefits	\$ 377.7	26%	\$ 296.8	27%	\$ 211.6	25%
Transaction-based clearing expenses	271.7	19%	222.5	21%	183.5	22%
Introducing broker commissions	160.5	11%	113.8	11%	114.7	14%
Total variable expenses	809.9	56%	633.1	59%	509.8	61%
Fixed compensation and benefits	301.4	21%	221.9	20%	181.5	21%
Other fixed expenses	309.8	22%	205.8	19%	164.5	19%
Bad debts, net of recoveries and impairment	10.4	1%	18.7	2%	2.5	—%
Recovery of bad debt on physical coal	—	—%	—	—%	(12.4)	(1)%
Total non-variable expenses	621.6	44%	446.4	41%	336.1	39%
Total non-interest expenses	\$ 1,431.5	100%	\$ 1,079.5	100%	\$ 845.9	100%

Our variable expenses include variable compensation paid to traders and risk management consultants, bonuses paid to operational, administrative, and executive employees, transaction-based clearing expenses and introducing broker commissions. We seek to make our non-interest expenses variable to the greatest extent possible, and to keep our fixed costs as low as possible.

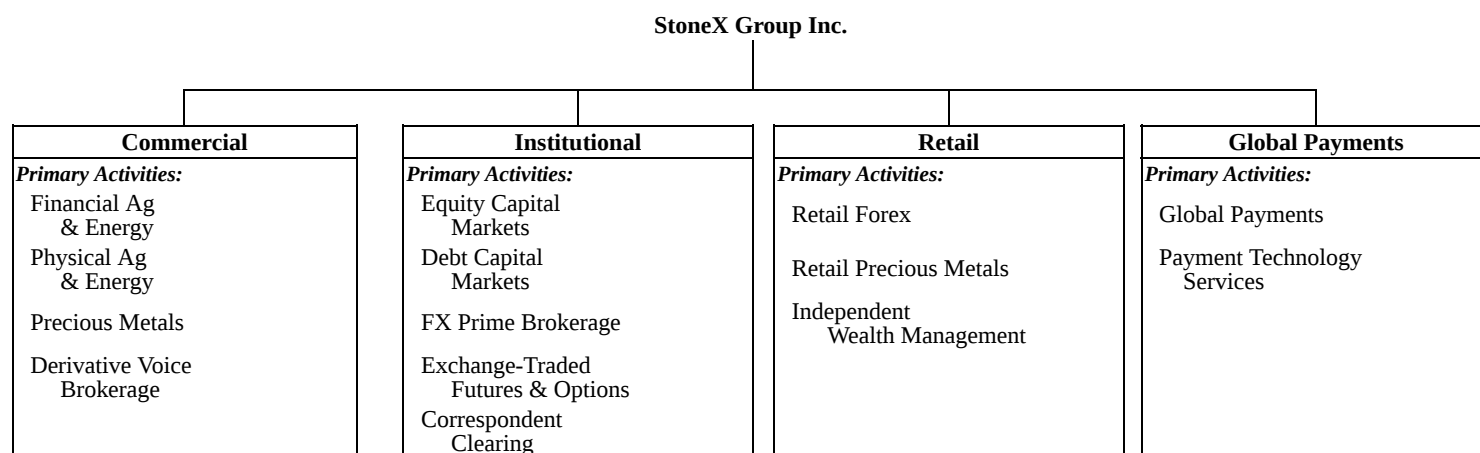
During the year ended September 30, 2021, non-variable expenses, excluding bad debts, net of recoveries and impairment, increased \$183.5 million, or 43%, compared to the year ended September 30, 2020, primarily driven by incremental costs from the Gain acquisition in the fourth quarter of the year ended September 30, 2020.

During the year ended September 30, 2020, non-variable expenses, excluding bad debts, net of recovery and impairment and the recovery of bad debt on physical coal, increased \$81.7 million, or 24%, compared to the year ended September 30, 2019, primarily driven by incremental costs from the acquisitions of UOB Bullion and Futures Limited, Tellimer, GIROXX, and Gain during the year, as well as certain transaction costs related to our acquisition of Gain.

### Segment Information

Our operating segments are based principally on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, our global payments business. We manage our business in this manner due to our large global footprint, in which we have more than 3,200 employees allowing us to serve clients in more than 180 countries.

Our business activities are managed as operating segments and organized into reportable segments as shown below.



Operating revenues, net operating revenues, net contribution and segment income are some of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of our resources. Operating revenues are calculated as total revenues less cost of sales of physical commodities.

Net operating revenue is calculated as operating revenue less transaction-based clearing expenses, introducing broker commissions and interest expense.

Net contribution is calculated as net operating revenues less variable compensation. Variable compensation paid to risk management consultants and traders generally represents a fixed percentage, that can vary by revenue type, of an amount equal to revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and an overhead allocation.

Segment income is calculated as net contribution less non-variable direct segment costs. These non-variable direct expenses include trader base compensation and benefits, operational charges, trading systems and market information, professional fees, travel and business development, communications, bad debts, trade errors and direct marketing expenses.

### Total Segment Results

The following table presents summary information concerning all of our business segments on a combined basis, excluding unallocated overhead, for the periods indicated.

(in millions)	Year Ended September 30,					
	2021	% of Operating Revenues	2020	% of Operating Revenues	2019	% of Operating Revenues
Sales of physical commodities	\$ 40,961.6		\$ 52,899.2		\$ 31,830.3	
Principal gains, net	899.0		620.8		412.8	
Commission and clearing fees	488.4		405.1		373.0	
Consulting, management, and account fees	86.5		79.2		77.2	
Interest income	114.1		140.0		208.0	
Total revenues	42,549.6		54,144.3		32,901.3	
Cost of sales of physical commodities	40,861.1		52,831.3		31,790.9	
Operating revenues	1,688.5	100%	1,313.0	100%	1,110.4	100%
Transaction-based clearing expenses	270.3	16%	221.0	17%	182.6	16%
Introducing broker commissions	161.2	10%	113.6	9%	114.6	10%
Interest expense	52.2	3%	85.9	7%	149.2	13%
Net operating revenues	1,204.8		892.5		664.0	
Variable direct compensation and benefits	336.1	20%	253.0	19%	181.2	16%
Net contribution	868.7		639.5		482.8	
Fixed compensation and benefits	162.3		117.7		93.5	
Other fixed expenses	189.8		108.0		93.5	
Bad debts, net of recoveries and impairment	10.4		18.7		2.5	
(Recovery) bad debt on physical coal	—		—		(12.4)	
Total non-variable direct expenses	362.5	21%	244.4	19%	177.1	16%
Segment income	\$ 506.2		\$ 395.1		\$ 305.7	

#### Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

Net contribution for all of our business segments increased \$229.2 million, or 36%, to \$868.7 million in the year ended September 30, 2021 compared to \$639.5 million in the year ended September 30, 2020. Segment income increased \$111.1 million, or 28%, to \$506.2 million in the year ended September 30, 2021 compared to \$395.1 million in the year ended September 30, 2020.

#### Year Ended September 30, 2020 Compared to Year Ended September 30, 2019

Net contribution for all of our business segments increased \$156.7 million, or 32%, to \$639.5 million in the year ended September 30, 2020 compared to \$482.8 million in the year ended September 30, 2019. Segment income increased \$89.4 million, or 29%, to \$395.1 million in the year ended September 30, 2020 compared to \$305.7 million in the year ended September 30, 2019.

## Commercial

We offer our commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing of exchange-traded and OTC products, voice brokerage, market intelligence and physical trading, as well as commodity financing and logistics services. We believe our ability to provide these high-value-added products and services differentiates us from our competitors and maximizes our ability to retain clients.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Commercial segment, for the periods indicated.

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Revenues:</b>					
Sales of physical commodities	\$ 39,420.3	(25)%	\$ 52,593.9	66%	\$ 31,759.3
Principal gains, net	245.5	26%	194.1	24%	156.7
Commission and clearing fees	178.3	27%	140.1	(7)%	150.5
Consulting, management and account fees	19.7	5%	18.8	1%	18.6
Interest income	20.2	(13)%	23.2	(42)%	40.3
<b>Total revenues</b>	<b>39,884.0</b>	<b>(25)%</b>	<b>52,970.1</b>	<b>65%</b>	<b>32,125.4</b>
Cost of sales of physical commodities	39,349.2	(25)%	52,538.6	66%	31,721.0
<b>Operating revenues</b>	<b>534.8</b>	<b>24%</b>	<b>431.5</b>	<b>7%</b>	<b>404.4</b>
Transaction-based clearing expenses	54.0	32%	40.8	5%	38.9
Introducing broker commissions	34.7	45%	24.0	(10)%	26.8
Interest expense	13.0	(2)%	13.3	(24)%	17.5
<b>Net operating revenues</b>	<b>433.1</b>	<b>23%</b>	<b>353.4</b>	<b>10%</b>	<b>321.2</b>
Variable direct compensation and benefits	133.4	20%	111.2	15%	96.6
<b>Net contribution</b>	<b>299.7</b>	<b>24%</b>	<b>242.2</b>	<b>8%</b>	<b>224.6</b>
Fixed compensation and benefits	49.9	3%	48.5	3%	47.0
Other fixed expenses	49.1	13%	43.5	(2)%	44.3
Bad debts, net of recoveries and impairment	8.5	2%	8.3	655%	1.1
Recovery of bad debt on physical coal	—	—%	—	(100)%	(12.4)
Total non-variable direct expenses	107.5	7%	100.3	25%	80.0
<b>Segment income</b>	<b>\$ 192.2</b>	<b>35%</b>	<b>\$ 141.9</b>	<b>(2)%</b>	<b>\$ 144.6</b>

Operating Revenues (in millions):	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
Listed derivatives	\$ 223.5	26%	\$ 176.9	(4)%	\$ 184.5
OTC derivatives	143.4	29%	111.0	13%	98.3
Physical contracts	132.2	21%	109.6	49%	73.5
Interest / fees earned on client balances	14.6	1%	14.5	(50)%	29.0
Other	21.1	8%	19.5	2%	19.1
	\$ 534.8	24%	\$ 431.5	7%	\$ 404.4
<b>Select data (all \$ amounts are U.S. dollar equivalent):</b>					
Listed derivatives (contracts, 000's)	30,904	6%	29,255	5%	27,985
Listed derivatives, average rate per contract <sup>(1)</sup>	\$ 6.92	26%	\$ 5.48	—%	\$ 5.49
Average client equity - listed derivatives (millions)	\$ 1,648	62%	\$ 1,019	8%	\$ 948
Over-the-counter ("OTC") derivatives (contracts, 000's)	2,557	21%	2,113	19%	1,772
OTC derivatives, average rate per contract	\$ 55.70	7%	\$ 52.19	(5)%	\$ 55.19

<sup>(1)</sup> Give-up fees as well as cash and voice brokerage are excluded from the calculation of listed derivatives, average rate per contract.

For information about the assets of this segment, see Note 23 to the Consolidated Financial Statements.

### Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

Operating revenues increased \$103.3 million, or 24%, to \$534.8 million in the year ended September 30, 2021 compared to \$431.5 million in the year ended September 30, 2020. Net operating revenues increased \$79.7 million, or 23%, to \$433.1 million in the year ended September 30, 2021 compared to \$353.4 million in the year ended September 30, 2020.

Operating revenues derived from listed derivatives increased \$46.6 million, or 26%, to \$223.5 million in the year ended September 30, 2021 compared to \$176.9 million in the year ended September 30, 2020. This increase was principally driven by a 26% increase in the average rate per contract, as well as a 6% increase in contract volumes as a result of increased volatility in agricultural and base metal markets. This increase was partially offset by a \$6.7 million decline in derivative voice brokerage revenues.

Operating revenues derived from OTC transactions increased \$32.4 million, or 29%, to \$143.4 million in the year ended September 30, 2021 compared to \$111.0 million in the year ended September 30, 2020. This increase was driven by a 21% increase in OTC volumes as well as a 7% increase in the average rate per contract as a result of increased customer activity in agricultural markets.

Operating revenues derived from physical transactions increased \$22.6 million, or 21%, to \$132.2 million in the year ended September 30, 2021 compared to \$109.6 million in the year ended September 30, 2020, principally due to increased customer activity in agricultural and energy commodities as well as continued strong customer demand for precious metals. The years ended September 30, 2021 and 2020 include unrealized losses on derivative positions held against physical inventories carried at the lower of cost or net realizable value of \$2.2 million and \$0.7 million, respectively. In addition, the years ended September 30, 2021 and 2020 included losses on the liquidation of certain physical inventories of crude oil and low sulfur fuel oil as a result of quality degradation and additional costs to sell of \$1.9 million and \$7.6 million, respectively.

Interest and fee income earned on client balances was \$14.6 million and \$14.5 million, respectively, in the years ended September 30, 2021 and 2020. A 62% increase in average client equity to \$1,648 million was offset by a significant decline in short term interest rates.

Variable expenses, excluding interest, expressed as a percentage of operating revenues was 42% in the year ended September 30, 2021 compared to 41% in the year ended September 30, 2020.

Segment income increased \$50.3 million, or 35%, to \$192.2 million in the year ended September 30, 2021 compared to \$141.9 million in the year ended September 30, 2020, principally driven by the growth in operating revenues which was partially offset by a \$1.4 million increase in fixed compensation and benefits as well as a \$5.6 million increase in other fixed expenses including a \$1.6 million increase in professional fees and a \$1.2 million increase in trading systems and market information.

#### *Year Ended September 30, 2020 Compared to Year Ended September 30, 2019*

Operating revenues increased \$27.1 million, or 7% to \$431.5 million in the year ended September 30, 2020 compared to \$404.4 million in the year ended September 30, 2019. Net operating revenues increased \$32.2 million, or 10% to \$353.4 million in the year ended September 30, 2020 compared to \$321.2 million in the year ended September 30, 2019.

The increase in operating revenues derived from physical transactions led the overall increase, benefiting from a significant increase in customer demand for precious metals and a widening of spreads due to market dislocations related to the COVID-19 global pandemic and the resulting effect on the global precious metals market. Partially offsetting the increase in physical contract operating revenues, we recorded lower of cost or net realizable value adjustments for certain physical inventories of crude oil and low sulfur fuel oil primarily based on quality degradation and consideration of costs to sell of \$7.6 million. These adjustments are included in *Cost of sales of physical commodities*. We are continuing to pursue all legal avenues to collect this from our supplier, however there is substantial uncertainty as to whether we will be successful.

The increase in operating revenues derived from OTC transactions were driven by a 19% increase in OTC volumes, which was partially offset by a 5% decline in the average rate per contract. The increase in OTC revenues was primarily driven by an increase in energy and renewable fuels operating revenues as a result of increased volatility caused by economic concerns over the COVID-19 pandemic.

The decrease in operating revenues derived from listed derivatives was primarily driven by a \$13.6 million decline in derivative voice brokerage revenues. Derivative voice brokerage data is not included in the listed derivatives volume or average rate per contract in the select data table above. This decline was partially offset by a 5% increase in listed derivatives contract volumes while the average rate per contract was relatively flat with the prior year period.

Interest and fee income earned on client balances declined 50% as compared to the prior year as a result of a significant declines in short term interest rates related to FOMC actions to reduce the federal funds rate beginning in August 2019. Partially offsetting the decline in short term interest rates was an 8% increase in average client equity to \$1,019 million.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 41% in the year ended September 30, 2020 compared to 40% in the year ended September 30, 2019.

During 2020, we recorded bad debts, net of recoveries of \$6.7 million, including \$3.2 million related to trade receivables with physical clients and \$3.5 million related to client deficits in our OTC and listed derivatives businesses. Also, in the year ended September 30, 2020 we recorded an impairment charge of \$1.6 million related to capitalized development on a back-office



software system not yet placed into service, that will be replaced with an alternative system we acquired as part of our acquisition of Gain.

During the year ended September 30, 2019, we recorded recoveries on the bad debt on physical coal of \$12.4 million related to settlements reached with clients and proceeds received through an insurance policy claim related to the physical coal matter, as described further detail below.

Segment income decreased 2% to \$141.9 million in the year ended September 30, 2020 compared to \$144.6 million in the year ended September 30, 2019, as growth in operating revenues were offset by the bad debts, impairment, and impact of fiscal 2019's recovery. Fixed compensation and benefits and other fixed expenses increased modestly.

## Institutional

We provide institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, we originate, structure and place debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Institutional segment, for the periods indicated.

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Revenues:</b>					
Sales of physical commodities	\$ —	—%	\$ —	—%	\$ —
Principal gains, net	312.0	14%	273.6	83%	149.5
Commission and clearing fees	246.0	17%	211.1	24%	170.0
Consulting, management, and account fees	18.0	(23)%	23.3	(18)%	28.3
Interest income	92.4	(20)%	116.1	(31)%	167.2
<b>Total revenues</b>	<b>668.4</b>	<b>7%</b>	<b>624.1</b>	<b>21%</b>	<b>515.0</b>
Cost of sales of physical commodities	—	—%	—	—%	—
<b>Operating revenues</b>	<b>668.4</b>	<b>7%</b>	<b>624.1</b>	<b>21%</b>	<b>515.0</b>
Transaction-based clearing expenses	184.1	9%	168.7	23%	136.7
Introducing broker commissions	27.5	38%	19.9	(25)%	26.7
Interest expense	37.4	(48)%	71.7	(45)%	131.5
<b>Net operating revenues</b>	<b>419.4</b>	<b>15%</b>	<b>363.8</b>	<b>65%</b>	<b>220.1</b>
Variable compensation and benefits	158.5	38%	114.9	82%	63.1
<b>Net contribution</b>	<b>260.9</b>	<b>5%</b>	<b>248.9</b>	<b>59%</b>	<b>157.0</b>
Fixed compensation and benefits	46.1	(2)%	47.2	45%	32.6
Other fixed expenses	46.5	19%	39.0	13%	34.4
Bad debts, net of recoveries and impairment	0.6	(94)%	9.8	600%	1.4
<b>Total non-variable direct expenses</b>	<b>93.2</b>	<b>(3)%</b>	<b>96.0</b>	<b>40%</b>	<b>68.4</b>
<b>Segment income</b>	<b>\$ 167.7</b>	<b>10%</b>	<b>\$ 152.9</b>	<b>73%</b>	<b>\$ 88.6</b>

Operating Revenues (in millions):	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
Listed derivatives	\$ 164.1	8%	\$ 151.6	14%	\$ 132.6
OTC derivatives	—	(100)%	0.2	n/m	—
Securities	436.0	16%	376.1	48%	253.6
FX contracts	16.1	(33)%	24.0	10%	21.8
Interest / fees earned on client balances	10.2	(62)%	26.5	(50)%	52.9
Other	42.0	(8)%	45.7	(16)%	54.1
	<b>\$ 668.4</b>	<b>7%</b>	<b>\$ 624.1</b>	<b>21%</b>	<b>\$ 515.0</b>

### Volumes and Other Select Data (all \$ amounts are U.S. dollar equivalents):

Listed derivatives (contracts, 000's)	115,197	(8)%	125,397	24%	100,913
Listed derivatives, average rate per contract <sup>(1)</sup>	\$ 1.38	18%	\$ 1.17	(6)%	\$ 1.25
Average client equity - listed derivatives (millions)	\$ 2,195	26%	\$ 1,746	55%	\$ 1,125
Securities ADV ( millions)	\$ 2,776	61%	\$ 1,729	20%	\$ 1,440
Securities RPM <sup>(2)</sup>	\$ 610	(28)%	\$ 845	23%	\$ 685
Average money market / FDIC sweep client balances (millions)	\$ 1,471	30%	\$ 1,130	43%	\$ 791
FX contracts ADV ( millions)	\$ 1,647	25%	\$ 1,322	(3)%	\$ 1,361
FX contracts RPM	\$ 38	(47)%	\$ 72	26%	\$ 57

n/m = not meaningful to present as a percentage

<sup>(1)</sup> Give-up fee revenue are excluded from the calculation of listed derivative, average rate per contract.

<sup>(2)</sup> Interest income related to securities lending is excluded from the calculation of Securities RPM.

For information about the assets of this segment, see Note 23 to the Consolidated Financial Statements.

*Year Ended September 30, 2021 Compared to Year Ended September 30, 2020*

Operating revenues increased \$44.3 million, or 7%, to \$668.4 million in the year ended September 30, 2021 compared to \$624.1 million in the year ended September 30, 2020. Net operating revenues increased \$55.6 million, or 15%, to \$419.4 million in the year ended September 30, 2021 compared to \$363.8 million in the year ended September 30, 2020.

Operating revenues derived from listed derivatives increased \$12.5 million, or 8%, to \$164.1 million in the year ended September 30, 2021 compared to \$151.6 million in the year ended September 30, 2020, principally driven by an 18% increase in the average rate per contract, which was partially offset by an 8% decline in listed derivative contract volumes in the year ended September 30, 2021 compared to the year ended September 30, 2020.

Operating revenues derived from securities transactions increased \$59.9 million, or 16%, to \$436.0 million in the year ended September 30, 2021 compared to \$376.1 million in the year ended September 30, 2020. The ADV of securities traded increased 61%, principally driven by increased customer activity in fixed income markets and to a lesser extent equity products, however the RPM traded declined 28% in the year ended September 30, 2021 principally driven by lower spreads in fixed income products compared to the year ended September 30, 2020 which benefited from wider spreads driven by the onset of the COVID-19 pandemic.

Operating revenues derived from FX contracts declined \$7.9 million, or 33%, to \$16.1 million in the year ended September 30, 2021 compared to \$24.0 million in the year ended September 30, 2020, as a 25% increase in the ADV of FX contracts traded was more than offset by a 47% decline in the average rate per contract due to a decline in foreign currency volatility.

Finally, interest and fee income earned on client balances, which is associated with our listed derivative business, as well as our correspondent clearing and independent wealth management businesses, declined \$16.3 million, or 62%, to \$10.2 million in the year ended September 30, 2021 compared to \$26.5 million in the year ended September 30, 2020, principally as a result of a significant decline in short term interest rates. Partially offsetting the decline in short term interest rates was a 26% increase in average client equity and a 30% increase in average FDIC sweep client balances.

Also primarily as a result of the decline in short term interest rates, interest expense declined 48% compared to the prior year, with interest expense directly associated with serving as an institutional dealer in fixed income securities declining \$23.9 million and interest expense directly attributable to securities lending activities declining \$7.4 million compared to the prior year period.

Variable expenses, excluding interest, expressed as a percentage of operating revenues increased to 55% in the year ended September 30, 2021 compared to 49% in the year ended September 30, 2020, primarily as the result of the decline in interest income and higher variable compensation.

Segment income increased \$14.8 million, or 10%, to \$167.7 million in the year ended September 30, 2021 compared to \$152.9 million in the year ended September 30, 2020, primarily as a result of the increase in operating revenues noted above. Non-variable direct expenses, excluding bad debts, increased \$6.4 million, or 7% versus the year ended September 30, 2020, primarily related to an increase in market information, professional fees and depreciation of internally developed software which was partially offset by lower travel and business development expenses.

*Year Ended September 30, 2020 Compared to Year Ended September 30, 2019*

Operating revenues increased \$109.1 million, or 21% to \$624.1 million in the year ended September 30, 2020 compared to \$515.0 million in the year ended September 30, 2019. Net operating revenues increased \$143.7 million, or 65% to \$363.8 million in the year ended September 30, 2020 compared to \$220.1 million in the year ended September 30, 2019.

The increase in operating revenues was primarily driven by the growth in operating revenues from securities transactions. The ADV of securities traded increased 20% and the RPM traded increased 23%, each of which were driven by heightened volatility in the global equity and fixed income markets due to economic concerns related to the COVID-19 pandemic.

Operating revenues derived from listed derivatives increased 14% as listed derivative contract volumes increased 24% in the year ended September 30, 2020 compared to the year ended September 30, 2019, however the average rate per contract declined 6%. The increase in derivative contract volume was primarily driven by increased market volatility as a result of the COVID-19 pandemic.

The increase in operating revenues derived from FX contracts resulted from a 26% increase in the RPM, driven by volatility in foreign exchange markets during the year ended September 30, 2020 related to the effect of COVID-19 which was partially offset by a 3% decrease in the ADV traded compared to the year ended September 30, 2019. The prior year period also includes a \$2.7 million settlement received related to the Barclays PLC 'last look' class action matter.

Finally, interest and fee income earned on client balances, which is associated with our listed derivative business, as well as our correspondent clearing and independent wealth management businesses, declined 50% as compared to the prior year as a result of a significant decline in short term interest rates related to FOMC actions to reduce the federal funds rate beginning in August 2019. Partially offsetting the decline in short term interest rates was an increase in average client equity and average FDIC sweep client balances of 55% and 43%, respectively.

Variable expenses, excluding interest, expressed as a percentage of operating revenues increased to 49% in the year ended September 30, 2020 compared to 44% in the year ended September 30, 2019, primarily as the result of the decline in interest income and higher variable compensation as a result of improved performance.

During the year ended September 30, 2020, we recorded bad debts of \$5.7 million, primarily related to client deficits in our listed derivatives businesses. Also, in the year ended September 30, 2020 we recorded an impairment charge of \$4.1 million related to capitalized development on a back-office software system not yet placed into service, that will be replaced with an alternative system we acquired as part of our acquisition of Gain.

Segment income increased \$64.3 million, or 73% to \$152.9 million in the year ended September 30, 2020 compared to \$88.6 million in the year ended September 30, 2019, primarily as a result of the increase in operating revenues noted above, and partially offset by the increase in bad debts and impairment. Non-variable direct expenses, excluding bad debts, increased \$19.2 million, or 29% versus the year ended September 30, 2019, primarily related to fixed compensation and trade system costs associated with the continued build out of several recent acquisitions and initiatives, including equity prime brokerage.

## Retail

We provide our retail clients around the world access to over 18,000 global financial markets, including spot foreign exchange ("forex"), both financial trading and physical investment in precious metals, as well as contracts for difference ("CFDs"), which are investment products with returns linked to the performance of underlying assets. In addition, our independent wealth management business offers a comprehensive product suite to retail investors in the United States.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Retail segment, for the periods indicated.

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
Sales of physical commodities	\$ 1,541.3	405%	\$ 305.3	330%	\$ 71.0
Principal gains, net	212.7	403%	42.3	n/m	(0.5)
Commission and clearing fees	58.9	18%	49.8	2%	48.7
Consulting, management, and account fees	45.5	32%	34.6	21%	28.5
Interest income	1.5	114%	0.7	75%	0.4
Total revenues	1,859.9	330%	432.7	192%	148.1
Cost of physical commodities sold	1,511.9	417%	292.7	319%	69.9
Operating revenues	348.0	149%	140.0	79%	78.2
Transaction-based clearing expenses	25.7	302%	6.4	205%	2.1
Introducing broker commissions	98.2	42%	69.0	14%	60.3
Interest expense	1.7	113%	0.8	700%	0.1
Net operating revenues	222.4	249%	63.8	306%	15.7
Variable compensation and benefits	18.0	260%	5.0	355%	1.1
Net contribution	204.4	248%	58.8	303%	14.6
Fixed compensation and benefits	51.6	406%	10.2	149%	4.1
Other fixed expenses	83.9	415%	16.3	298%	4.1
Bad debts, net of recoveries	1.1	83%	0.6	n/m	—
Total non-variable direct expenses	136.6	404%	27.1	230%	8.2
Segment income	\$ 67.8	114%	\$ 31.7	395%	\$ 6.4

The tables below reflect a disaggregation of operating revenues and select operating data and metrics used by management in evaluating performance of our Retail segment for the periods indicated.

Operating Revenues (in millions):	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
Securities	\$ 97.6	19%	\$ 82.2	9%	\$ 75.7
FX / CFD contracts	225.9	427%	42.9	n/m	—
Physical contracts	20.4	59%	12.8	2,460%	0.5
Interest / fees earned on client balances	1.2	(29)%	1.7	(15)%	2.0
Other	2.9	625%	0.4	n/m	—
	\$ 348.0	149%	\$ 140.0	79%	\$ 78.2

### Select data (all \$ amounts are U.S. dollar equivalents):

FX / CFD contracts ADV (millions) <sup>(1)</sup>	\$ 8,989	8%	\$ 8,357	n/m	\$ —
FX / CFD contracts RPM <sup>(2)</sup>	\$ 98	(18)%	\$ 120	n/m	\$ —

<sup>(1)</sup> The ADV for the year ended September 30, 2020 is reflective of the ADV post-acquisition of Gain, and is calculated based on 43 trading days with the activities of Gain, acquired effective August 1, 2020.

For information about the assets of this segment, see Note 23 to the Consolidated Financial Statements.

### Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

Operating revenues increased \$208.0 million, or 149%, to \$348.0 million in the year ended September 30, 2021 compared to \$140.0 million in the year ended September 30, 2020. Net operating revenues increased \$158.6 million, or 249%, to \$222.4 million in the year ended September 30, 2021 compared to \$63.8 million in the year ended September 30, 2020.

Operating revenues derived from FX / CFD contracts increased \$183.0 million, or 427% to \$225.9 million, and represent the incremental revenues from the acquisition of Gain, effective August 1, 2020. For Gain, the year ended September 30, 2021 includes 259 trading days compared to 43 trading days post acquisition, during the year ended September 30, 2020.

Operating revenues derived from securities transactions relates to our independent wealth management activities which increased \$15.4 million, or 19%, to \$97.6 million in the year ended September 30, 2021 compared to \$82.2 million in the year ended September 30, 2020.

Operating revenues derived from physical contracts increased \$7.6 million, or 59%, to \$20.4 million in the year ended September 30, 2021 compared to \$12.8 million in the year ended September 30, 2020, principally driven by continued strong customer demand for precious metals.

Interest and fee income earned on client balances declined \$0.5 million, or 29%, to \$1.2 million primarily as a result of the decline in short term interest rates.

Variable expenses, excluding interest, as a percentage of operating revenues were 41% in the year ended September 30, 2021 compared to 57% in the year ended September 30, 2020, with the decrease in the variable rate percentage being driven by the Gain acquisition effective August 1, 2020, which brought a large lower variable rate cost base.

Segment income increased \$36.1 million, or 114% to \$67.8 million in the year ended September 30, 2021 compared to \$31.7 million in the year ended September 30, 2020, primarily as a result of the increase in net operating revenues noted above. The increase in non-variable direct expenses, was primarily a result of incremental costs from the Gain acquisition.

*Year Ended September 30, 2020 Compared to Year Ended September 30, 2019*

Operating revenues increased \$61.8 million, or 79%, to \$140.0 million in the year ended September 30, 2020 compared to \$78.2 million in the year ended September 30, 2019. Net operating revenues were \$63.8 million in the year ended September 30, 2020 compared to \$15.7 million in the year ended September 30, 2019.

Operating revenues derived from FX / CFD contracts represent the incremental revenues from the Gain acquisition.

Operating revenues from securities transactions and other primarily relate to our independent wealth management activities which increased 9% to \$82.2 million in the year ended September 30, 2020 as compared to \$75.7 million in the year ended September 30, 2019.

The increase in operating revenues derived from physical contracts was a result of the acquisition of Coininvest GmbH and European Precious Metal Trading GmbH, which was completed in April 2019, which benefited from increased customer demand for precious metals transactions through our online platform.

Interest and fee income earned on client balances declined 15% to \$1.7 million primarily as a result of the decline in short term interest rates.

Variable expenses, excluding interest, as a percentage of operating revenues were 57% in the year ended September 30, 2020 compared to 81% in the year ended September 30, 2019, with the decrease in the variable rate percentage being driven by the Gain acquisition in August 2020 which brought a large lower variable rate cost base.

Segment income increased 395% to \$31.7 million in the year ended September 30, 2020 compared to \$6.4 million in the year ended September 30, 2019, primarily as a result of the increase in net operating revenues noted above. The increase in non-variable direct expenses, as stated above, was primarily a result of incremental costs from the Gain acquisition.

## Global Payments

We provide customized foreign exchange and treasury services to banks and commercial businesses as well as charities and non-governmental and government organizations. We provide transparent pricing and offer payments services in more than 185 countries and 140 currencies, which we believe is more than any other payments solutions provider.

The tables below present the financial performance, a disaggregation of operating revenues, and select operating data and metrics used by management in evaluating the performance of the Global Payments segment for the periods indicated.

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Revenues:</b>					
Sales of physical commodities	\$ —	—	\$ —	—	\$ —
Principal gains, net	128.8	16%	110.8	3%	107.1
Commission and clearing fees	5.2	27%	4.1	8%	3.8
Consulting, management, account fees	3.3	32%	2.5	39%	1.8
Interest income	—	—%	—	(100)%	0.1
<b>Total revenues</b>	<b>137.3</b>	<b>17%</b>	<b>117.4</b>	<b>4%</b>	<b>112.8</b>
Cost of sales of physical commodities	—	—	—	—	—
<b>Operating revenues</b>	<b>137.3</b>	<b>17%</b>	<b>117.4</b>	<b>4%</b>	<b>112.8</b>
Transaction-based clearing expenses	6.5	27%	5.1	4%	4.9
Introducing broker commissions	0.8	14%	0.7	(13)%	0.8
Interest expense	0.1	—%	0.1	—%	0.1
<b>Net operating revenues</b>	<b>129.9</b>	<b>17%</b>	<b>111.5</b>	<b>4%</b>	<b>107.0</b>
Variable compensation and benefits	26.2	20%	21.9	7%	20.4
<b>Net contribution</b>	<b>103.7</b>	<b>16%</b>	<b>89.6</b>	<b>3%</b>	<b>86.6</b>
Fixed compensation and benefits	14.7	25%	11.8	20%	9.8
Other fixed expenses	10.3	12%	9.2	(14)%	10.7
Bad debts	0.2	n/m	—	—%	—
<b>Total non-variable direct expenses</b>	<b>25.2</b>	<b>20%</b>	<b>21.0</b>	<b>2%</b>	<b>20.5</b>
<b>Segment income</b>	<b>\$ 78.5</b>	<b>14%</b>	<b>\$ 68.6</b>	<b>4%</b>	<b>\$ 66.1</b>

	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Operating Revenues (in millions):</b>					
Payments	\$ 133.8	17%	\$ 114.6	3%	\$ 110.8
Other	3.5	25%	2.8	40%	2.0
	<b>\$ 137.3</b>	<b>17%</b>	<b>\$ 117.4</b>	<b>4%</b>	<b>\$ 112.8</b>
<b>Select data (all \$ amounts are U.S. dollar equivalents):</b>					
Global Payments ADV (millions)	\$ 54	20%	\$ 45	—%	\$ 45
Global Payments RPM <sup>(1)</sup>	\$ 9,921	(2)%	\$ 10,092	3%	\$ 9,805

<sup>(1)</sup> Rate per million is based on principal gains, net and commission and clearing fees revenues and the ADV shown above.

For information about the assets of this segment, see Note 23 to the Consolidated Financial Statements.

### Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

Operating revenues increased \$19.9 million, or 17%, to \$137.3 million in the year ended September 30, 2021 compared to \$117.4 million in the year ended September 30, 2020. Net operating revenues increased \$18.4 million, or 17% to \$129.9 million in the year ended September 30, 2021 compared to \$111.5 million in the year ended September 30, 2020.

The increase in operating revenues was primarily driven by a 20% increase in the average daily notional payment volume which was partially offset by a 2% decline in the rate per million dollars traded.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 24% in both the year ended September 30, 2021 and the year ended September 30, 2020.

Segment income increased \$9.9 million, or 14%, to \$78.5 million in the year ended September 30, 2021 compared to \$68.6 million in the year ended September 30, 2020. This increase primarily resulted from the increase in net operating revenues, partially offset by a \$4.2 million increase in non-variable direct expenses versus the prior year period, which includes a \$2.9 million increase in fixed compensation and benefits.

### Year Ended September 30, 2020 Compared to Year Ended September 30, 2019

Operating revenues increased 4% to \$117.4 million in the year ended September 30, 2020 compared to \$112.8 million in the year ended September 30, 2019. Net operating revenues increased 4% to \$111.5 million in the year ended September 30, 2020 compared to \$107.0 million in the year ended September 30, 2019.

The increase in operating revenues were primarily driven by a 3% increase in the rate per million dollars traded, while the average daily notional payment volume was relatively unchanged year-over-year, as larger debt capital market transactions from our international banking clients decreased in the year ended September 30, 2020 compared to the year ended September 30, 2019 due to the global economic slowdown impact of the COVID-19 pandemic.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 24% in the year ended September 30, 2020 compared to 23% in the year ended September 30, 2019, primarily as a result of an increase in variable compensation.

Segment income increased 4% to \$68.6 million in the year ended September 30, 2020 compared to \$66.1 million in the year ended September 30, 2019. This increase primarily resulted from the increase in net operating revenues, partially offset by a \$0.5 million increase in non-variable direct expenses versus the prior year period.

### Unallocated Costs and Expenses

The following table is a breakout of our unallocated costs and expenses from the total costs and expenses shown above. The unallocated costs and expenses include certain shared services such as information technology, accounting and treasury, credit and risk, legal and compliance, and human resources and other activities.

(in millions)	Year Ended September 30,				
	2021	% Change	2020	% Change	2019
<b>Compensation and benefits:</b>					
Variable compensation and benefits	\$ 37.6	(7)%	\$ 40.5	46%	\$ 27.7
Fixed compensation and benefits	119.1	37%	86.8	19%	72.8
	156.7	23%	127.3	27%	100.5
<b>Other expenses:</b>					
Occupancy and equipment rental	33.1	41%	23.4	21%	19.3
Non-trading technology and support	31.8	43%	22.2	47%	15.1
Professional fees	23.0	5%	22.0	65%	13.3
Depreciation and amortization	19.0	15%	16.5	53%	10.8
Communications	6.5	5%	6.2	—%	6.2
Selling and marketing	1.7	(59)%	4.1	273%	1.1
Trading systems and market information	4.2	62%	2.6	(4)%	2.7
Travel and business development	1.3	(43)%	2.3	(39)%	3.8
Other	23.4	22%	19.2	16%	16.6
	144.0	22%	118.5	33%	88.9
Total compensation and other expenses	\$ 300.7	22%	\$ 245.8	30%	\$ 189.4

### Year Ended September 30, 2021 Compared to Year Ended September 30, 2020

Total unallocated costs and other expenses increased \$54.9 million, or 22%, to \$300.7 million in the year ended September 30, 2021 compared to \$245.8 million in the year ended September 30, 2020. Compensation and benefits increased \$29.4 million, or 23%, to \$156.7 million in the year ended September 30, 2021 compared to \$127.3 million in the year ended September 30, 2020.

During the year ended September 30, 2021, the increase in fixed compensation and benefits was primarily related to the increase in headcount, principally due to the acquisition of Gain, across nearly all administrative departments, including IT, compliance, accounting, human resources, as well as credit and risk. Fixed compensation and benefits during the year ended September 30, 2021 include severance costs of \$3.5 million, principally due to the departure of certain senior officers. During the year ended September 30, 2020, severance costs were \$0.5 million.

During the year ended September 30, 2021, the increase in other expenses is primarily due higher occupancy costs, principally related to an increase in leased office space. Additionally, non-trading technology and support increased due to higher support and maintenance costs related to various IT, client engagement, accounting, and human resources systems.



*Year Ended September 30, 2020 Compared to Year Ended September 30, 2019*

Total unallocated costs and other expenses increased \$56.4 million, or 30%, to \$245.8 million in the year ended September 30, 2020 compared to \$189.4 million in the year ended September 30, 2019. Compensation and benefits increased \$26.8 million, or 27%, to \$127.3 million in the year ended September 30, 2020 compared to \$100.5 million in the year ended September 30, 2019.

During the year ended September 30, 2020, the increase in fixed compensation and benefits was primarily related to a 35% increase in headcount across several administrative departments, including IT, compliance and accounting, of which 61% of the increase in headcount was acquisition related, adding \$5.4 million. The increase in variable compensation and benefits was primarily due to improved overall company performance, along with an incremental \$3.4 million related to recent acquisitions.

Other non-compensation expenses related to acquisitions and new business initiatives begun after fiscal 2018 added \$11.0 million. During the year ended September 30, 2020, the increase in fixed compensation and benefits and variable compensation and benefits is also related to headcount increases across several administrative departments. Additionally, non-trading technology and support increased due to higher support and maintenance costs related to various IT, client engagement, accounting, and human resources systems.

## **Liquidity, Financial Condition and Capital Resources**

### *Overview*

Liquidity is our ability to generate funds sufficient to meet all of our cash needs. Liquidity is of critical importance to us and imperative to maintaining our daily operations. Senior management establishes liquidity and capital policies, which we monitor on a daily basis and review for funding availability, from both internal and external sources, and policy efficacy in supporting our business operations. We have historically financed our liquidity and capital needs principally with funds generated from our subsidiaries' operations, issuing debt and equity securities, and access to committed credit facilities. We plan to finance our future operating liquidity and regulatory capital needs in a manner consistent with our past practice. Liquidity and capital matters are reported regularly to our board of directors.

StoneX Financial Inc. is registered as a broker-dealer with the SEC and is a member of both FINRA and MSRB. In addition, StoneX Financial Inc. is registered as a futures commission merchant with the CFTC and NFA, and a member of various commodities and futures exchanges in the U.S. and abroad. StoneX Financial Inc. has a responsibility to meet margin calls at all exchanges on a daily basis, and on an intra-day basis, if deemed necessary by relevant regulators or exchanges. We require our clients to make margin deposits the next business day, and we require our largest clients to make intra-day margin payments during periods of significant price movement. Margin required to be posted to the exchanges is a function of our clients' net open positions and required margin per contract. StoneX Financial Inc. is subject to minimum capital requirements under Section 4(f)(b) of the Commodity Exchange Act, Part 1.17 of the rules and regulations of the CFTC and the SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934. StoneX Financial Inc. is also subject to the Rule 15c3-3 of the Securities Exchange Act of 1934, as amended ("Customer Protection Rule").

Gain Capital Group, LLC is registered as both a futures commission merchant and registered foreign exchange dealer, subject to minimum capital requirements under Section 4(f)(b) of the Commodity Exchange Act, Part 1.17 of the rules and regulations of the CFTC and NFA Financial Requirements, Sections 1 and 11.

These rules specify the minimum amount of capital that must be available to support our clients' open trading positions, including the amount of assets that StoneX Financial Inc. and Gain Capital Group, LLC must maintain in relatively liquid form, and are designed to maintain general financial integrity and liquidity.

StoneX Financial Ltd is regulated by the FCA, the regulator of the financial services industry in the U.K. and is subject to regulations which impose regulatory capital requirements. StoneX Financial Ltd is a member of various commodities and futures exchanges in the U.K. and Europe and has the responsibility to meet margin calls at all exchanges on a daily basis and intra-day basis, as necessary. StoneX Financial Ltd is required to be compliant with the U.K.'s Individual Liquidity Adequacy Standards ("ILAS"). To comply with these standards, we have implemented daily liquidity procedures, conduct periodic reviews of liquidity by stressed scenarios, and have created liquidity buffers. During the year ended September 30, 2021, StoneX Financial Ltd finalized the transfer of substantially all business formerly within Gain's U.K. operating entity, Gain Capital U.K., Ltd.

The regulations discussed above limit funds available for dividends to StoneX. As a result, we may be unable to access funds which are generated by our operating subsidiaries when we need them.

In addition, in our physical commodities trading, commercial hedging OTC, securities and foreign exchange trading activities, we may be called upon to meet margin calls with our various trading counterparties based upon the underlying open transactions we have in place with those counterparties.

We continuously review our overall credit and capital needs to ensure that our capital base, both stockholders' equity and debt, as well as available credit facilities can appropriately support the anticipated financing needs of our operating subsidiaries.

As of September 30, 2021, we had total equity of \$904.0 million, outstanding loans under revolving credit facilities of \$248.6 million, outstanding senior secured term loan of \$170.1 million and \$336.9 million outstanding on our senior secured notes, net of deferred financing costs.

A substantial portion of our assets are liquid. As of September 30, 2021, approximately 97% of our assets consisted of cash; securities purchased under agreements to resell; securities borrowed; deposits with and receivables from exchange-clearing organizations, broker-dealers, clearing organizations and counterparties; client receivables; marketable financial instruments and investments; and physical commodities inventory. All assets that are not client and counterparty deposits are financed by our equity capital, bank loans, short-term borrowings from financial instruments sold, not yet purchased and under repurchase agreements, securities loaned and other payables.

As of September 30, 2021, we had deferred tax assets totaling \$35.1 million. We are required to assess our deferred tax assets and the need for a valuation allowance at each reporting period. In assessing the realizability of deferred tax assets, we consider whether we are more likely than not to realize some or all of the deferred tax assets. We are required to record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of our deferred tax assets will not be realized. The valuation allowance for deferred tax assets as of September 30, 2021 and 2020 was \$15.0 million and \$12.4 million, respectively. The valuation allowances as of September 30, 2021 and 2020 were primarily related to U.S. state and local, and foreign net operating loss carryforwards and foreign tax credits acquired through the merger with Gain that, in the judgment of management, are not more likely than not to be realized.

#### *Client and Counterparty Credit and Liquidity Risk*

Our operations expose us to credit risk of default of our clients and counterparties. The risk includes liquidity risk to the extent our clients or counterparties are unable to make timely payment of margin or other credit support. We are indirectly exposed to the financing and liquidity risks of our clients and counterparties, including the risks that our clients and counterparties may not be able to finance their operations.

As a clearing broker, we act on behalf of our clients for all trades consummated on exchanges. We must pay initial and variation margin to the exchanges, on a net basis, before we receive the required payments from our clients. Accordingly, we are responsible for our clients' obligations with respect to these transactions, which exposes us to significant credit risk. Our clients are required to make any required margin deposits the next business day, and we require our largest clients to make intra-day margin payments during periods of significant price movement. Our clients are required to maintain initial margin requirements at the level set by the respective exchanges, but we have the ability to increase margin requirements for clients based on their open positions, trading activity, or market conditions.

As it relates to OTC derivative transactions, we act as a principal, which exposes us to the credit risk of both our clients and the counterparties with which we offset our client positions. As with exchange-traded transactions, our OTC transactions require that we meet initial and variation margin payments on behalf of our clients before we receive the required payment from our clients. OTC clients are required to post sufficient collateral to meet margin requirements based on value-at-risk models as well as variation margin requirements based on the price movement of the commodity or security in which they transact. Our clients are required to make any margin deposits the next business day, and we may require our largest clients to make intra-day margin payments during periods of significant price movement. In this business as well, we have the ability to increase the margin requirements for clients based on their open positions, trading activity, or market conditions. On a limited basis, we provide credit thresholds to certain clients, based on internal evaluations and monitoring of client creditworthiness.

In addition, with OTC transactions, we are at risk that a counterparty will fail to meet its obligations to us when due. We would then be exposed to the risk that the settlement of a transaction which is due a client will not be collected from the respective counterparty with which the transaction was offset. We continuously monitor the credit quality of our respective counterparties and mark our positions held with each counterparty to market on a daily basis.

We enter into securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned transactions to, among other things, finance financial instruments, acquire securities to cover short positions, acquire securities for settlement, and to accommodate counterparties' needs. In connection with these agreements and transactions, it is our policy to receive or pledge cash or securities to adequately collateralize such agreements and transactions in accordance with general industry guidelines and practices. The collateral is valued daily and we may require counterparties to deposit additional collateral or return collateral pledged, when appropriate.

### *Commodities Inventory*

In the ordinary course of business, we hold commodities inventory in third-party licensed grain facilities. As of September 30, 2021, we held title in the form of warehouse receipts to approximately 2.6 million bushels of soybeans, valued at \$31.2 million, in multiple facilities owned by one third-party operator. The amount of soybeans held at these third-party grain facilities increased to 2.8 million bushels on October 6, 2021 pursuant to the satisfaction of a \$2.5 million repurchase commitment. Our ownership interest in the soybeans held at these third-party grain facilities is represented by warehouse receipts issued by these facilities under the U.S. Warehouse Act, which is a program administered by the U.S. Department of Agriculture. On September 29, 2021, the above-mentioned third-party operator filed a petition for Chapter 11 bankruptcy, and a Chief Restructuring Officer was assigned by the court to assist in administering the allocation of the grain on hand and proceeds from the sale of processed soybean products. As a result of these bankruptcy proceedings, in the event we do not receive soybeans or proceeds from soybeans commensurate with the 2.8 million bushels of soybean inventory held at October 6, 2021, we believe that it is probable that we have adequate insurance coverage to cover potential shortfalls. Therefore, we have not recognized any estimated losses associated with this matter in our September 30, 2021 consolidated financial statements.

### *OptionSellers*

In November 2018, balances in approximately 300 accounts of the FCM division of our wholly owned subsidiary, StoneX Financial Inc., declined below required maintenance margin levels, primarily as a result of significant and unexpected price fluctuations in the natural gas markets. All positions in these accounts, which were managed by OptionSellers.com Inc. (“OptionSellers”), an independent Commodity Trading Advisor (“CTA”), were liquidated in accordance with the StoneX Financial Inc.’s client agreements and obligations under market regulation standards. OptionSellers, in its role as a CTA, had been granted by each of its clients full discretionary authority to manage the trading in the client accounts, while StoneX Financial Inc. acted solely as the clearing firm in its role as the FCM.

StoneX Financial Inc.’s client agreements hold account holders liable for all losses in their accounts and obligate the account holders to reimburse StoneX Financial Inc. for any deficits in their accounts. As of September 30, 2021, the aggregate receivable from these client accounts, net of collections and other allowable deductions, was \$28.9 million, with no individual account receivable exceeding \$1.4 million. StoneX Financial Inc. continues to pursue collection of these receivables and intends both to enforce and to defend its rights aggressively, and to claim interest and costs of collection where applicable.

During our October 1, 2020 implementation of CECL, the new credit reserving model which is based on expected losses over the life of an asset and which applies to client deficits, we completed an assessment of the collectability of these accounts in light of this new guidance. As a result of the implementation, we recognized a cumulative-effect adjustment to record an allowance against these uncollected balances of \$8.2 million. We continue to assess collectability of these accounts quarterly, including the consideration of numerous arbitration proceedings we have initiated against these clients to recover deficit balances in their accounts. As we move through the collection and arbitration processes and additional information becomes available, we will continue to consider that information in our determination of any changes in the allowance against the carrying value of these uncollected balances. Depending on future collections and arbitration proceedings, any provisions for bad debts and actual losses ultimately may or may not be material to our financial results. Currently, we do not believe that any potential losses related to this matter would impact our ability to comply with our ongoing liquidity, capital, and regulatory requirements.

StoneX Financial Inc. has been named in arbitrations brought by clients seeking damages relating to the trading losses in these accounts. We believe that such cases are without merit and intend to defend them vigorously. At the same time, we have initiated numerous arbitration proceedings against clients to recover deficit balances in their accounts. We believe we have a valid claim against these clients, based on the express language of the client contracts and legal precedent, and intend to pursue collection of these claims vigorously.

We have done an assessment of the collectability of these accounts, considered the status of arbitration proceedings, and have concluded that we do not have a sufficient basis to record an allowance against these uncollected balances. As we proceed through the collection and arbitration processes and additional information becomes available, we will continue to consider the need for an allowance against the carrying value of these uncollected balances. Depending on future collections and arbitration proceedings, any provisions for bad debts and actual losses ultimately may or may not be material to our financial results. Currently, we do not believe that any potential losses related to this matter would impact our ability to comply with our ongoing liquidity, capital, and regulatory requirements.

### *Primary Sources and Uses of Cash*

Our cash and cash equivalents and customer cash and securities held for customers are held at banks, deposits at liquidity providers, investments in money market funds that invest in highly liquid investment grade securities including U.S. treasury bills, as well as investments in U.S treasury bills. In general, we believe all of our investments and deposits are of high credit quality and we have more than adequate liquidity to conduct our businesses.

Our assets and liabilities may vary significantly from period to period due to changing client requirements, economic and market conditions and our growth. Our total assets as of September 30, 2021 and 2020, were \$18.8 billion and \$13.5 billion, respectively. Our operating activities generate or utilize cash as a result of net income or loss earned or incurred during each period and fluctuations in our assets and liabilities. The most significant fluctuations arise from changes in the level of client activity, commodities prices and changes in the balances of financial instruments and commodities inventory. StoneX Financial Inc. and StoneX Financial Ltd occasionally utilize their margin line credit facilities, on a short-term basis, to meet intraday settlements with the commodity exchanges prior to collecting margin funds from their clients.

The majority of the assets of StoneX Financial Inc., StoneX Financial Ltd, StoneX Markets LLC, and Gain Capital Group, LLC are restricted from being transferred to its parent or other affiliates due to specific regulatory requirements. This restriction has no impact on our ability to meet our cash obligations, and no impact is expected in the future.

We have liquidity and funding policies and processes in place that are intended to maintain significant flexibility to address both company-specific and industry liquidity needs. The majority of our excess funds are held with high-quality institutions, under highly liquid reverse repurchase agreements, U.S. government obligations, interest earning cash deposits and AA-rated money market investments.

We do not intend to distribute earnings of our foreign subsidiaries in a taxable manner, and therefore intend to limit distributions to earnings previously taxed in the U.S., or earnings that would qualify for the 100 percent dividends received deduction, and earnings that would not result in any significant foreign taxes. We repatriated \$300.6 million and \$30.0 million for the years ended September 30, 2021 and 2020, respectively, of earnings previously taxed in the U.S. resulting in no significant incremental taxes. Therefore, the Company has not recognized a deferred tax liability on its investment in foreign subsidiaries.

### **Senior Secured Notes**

In June 2020, we issued \$350.0 million in aggregate principal amount of our 8.625% Senior Secured Notes due 2025 (the “Notes”) at the offering price of 98.5% of the aggregate principal amount. We used the net proceeds from the sale of the Notes to fund the preliminary cash consideration for the acquisition of Gain on the closing date, to pay certain related transactions fees and expenses, and to fund the repayment of Gain’s 5.00% Convertible Senior Notes due 2022, with the exception of \$0.5 million which remains outstanding, as certain holders of the Gain Notes neither exercised such holder’s fundamental change repurchase right or make-whole fundamental change conversion right.

The Notes will mature on June 15, 2025. Interest on the Notes accrues at a rate of 8.625% per annum and is payable semiannually in arrears on June 15 and December 15 of each year, commencing on December 15, 2020. We incurred debt issuance costs of \$9.5 million in connection with the issuance of the Notes, which are being amortized over the term of the Notes under the effective interest method.

Pursuant to the terms of the Notes indenture, during the year ended September 30, 2021, we had the option to redeem up to \$100.0 million in aggregate principal amount of the Notes at a redemption price equal to 103% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption. In June 2021, we elected not to redeem the Notes.

The Note holders had the right to require us to repurchase up to \$100.0 million in aggregate principal amount of the Notes (or a lesser amount equal to the difference between \$100.0 million and the amounts previously redeemed by us) at a purchase price equal to 103% of the principal amount of the Notes repurchased, plus accrued and unpaid interest, if any, to the date of repurchase. During the year ended September 30, 2021, we repurchased \$1.6 million of the principal amount of the Notes, for 103% of the principal amount, plus accrued and unpaid interest.

We have the option to redeem all or a portion of the Notes at any time prior to June 15, 2022 at a price equal to 100% of the principal amount of the Notes redeemed plus accrued and unpaid interest to the redemption date plus a “make-whole” premium. At any time on or after June 15, 2022, we may redeem the Notes, in whole or in part, at the redemption prices set forth in the indenture. At any time before June 15, 2022, we may also redeem up to 40% of the aggregate principal amount of the Notes at a redemption price of 108.625% of the principal amount, plus accrued and unpaid interest, if any, to the date of redemption, with the proceeds of certain equity offerings.

### **Committed Credit Facilities**

As of September 30, 2021, we had four committed bank credit facilities, totaling \$806.4 million, of which \$385.1 million was outstanding. Additional information regarding our bank credit facilities can be found in Note 11 of the Consolidated Financial Statements. The credit facilities include:

- A three-year first-lien senior secured syndicated loan facility under which \$406.4 million is available to us for general working capital requirements and capital expenditures. During the year ended September 30, 2021, the facility was

amended to increase the revolving credit facility from \$196.5 million to \$236.1 million and to extend the maturity date to August 22, 2022. The facility also includes a Term Loan component with an original value of \$196.5 million.

We are required to make quarterly principal payments against the Term Loan equal to 1.25% of the original balance with the remaining balance due on the maturity date. During the year ended September 30, 2021, we made scheduled quarterly principal payments against the Term Loan equal to \$9.8 million. Amounts repaid on the Term Loan may not be reborrowed.

- An unsecured committed line of credit until April 1, 2022, under which \$75.0 million is available to our wholly owned subsidiary, StoneX Financial Inc. to provide short term funding of margin to commodity exchanges as necessary.
- A syndicated committed borrowing facility until January 29, 2022, under which \$300.0 million is available to our wholly owned subsidiary, StoneX Commodity Solutions LLC (“StoneX Commodity Solutions”) to finance commodity financing arrangements and commodity repurchase agreements.
- An unsecured syndicated loan facility committed until October 14, 2022, under which our subsidiary, StoneX Financial Ltd is entitled to borrow up to \$25.0 million, subject to certain terms and conditions of the credit agreement. This facility is intended to provide short-term funding of margin to commodity exchanges as necessary. The facility in place at September 30, 2020 matured on October 14, 2020 and was replaced by an unsecured syndicated committed borrowing facility with substantially similar terms. During October 2021 the new facility was renewed to extend the maturity date to October 14, 2022. On November 18, 2021, the facility was amended to increase the committed borrowing amount available to \$50.0 million.

Additional information regarding the committed bank credit facilities can be found in Note 11 of the Consolidated Financial Statements. As reflected above, three of our committed credit facilities are scheduled to expire during the year ended September 30, 2022. We intend to renew or replace these facilities as they expire, and based on our liquidity position and capital structure, we believe we will be able to do so.

As of September 30, 2021, we had four uncommitted bank credit facilities with an outstanding balance of \$25.0 million. The credit facilities include:

- A secured uncommitted loan facility under which StoneX Financial Inc. may borrow up to \$75.0 million, collateralized by commodity warehouse receipts, to facilitate U.S. commodity exchange deliveries of its clients, subject to certain terms and conditions of the credit agreement. There were no borrowings outstanding under this credit facility at September 30, 2021 and 2020.
- A secured uncommitted loan facility under which StoneX Financial Inc. may borrow up to \$100.0 million for short term funding of firm and client margin requirements, subject to certain terms and conditions of the agreement. The borrowings are secured by first liens on firm owned marketable securities or client owned securities which have been pledged to us under a clearing arrangement. There were no borrowings outstanding under this credit facility at September 30, 2021 and 2020.
- A secured uncommitted loan facility under which StoneX Financial Inc. may borrow for short term funding of proprietary and client securities margin requirements, subject to certain terms and conditions of the agreement. The uncommitted amount available to be borrowed is not specified, and all requests for borrowing are subject to the sole discretion of the lender. The borrowings are secured by first liens on firm owned marketable securities or client owned securities which have been pledged to us. The amounts borrowed under the facilities are payable on demand. There were no borrowings outstanding under this credit facility as of September 30, 2021 and 2020.
- During the year ended September 30, 2021, we executed a secured, uncommitted loan facility, under which StoneX Financial Ltd may borrow up to \$25.0 million, collateralized by commodities warehouse receipts, to facilitate the financing of inventory of commodities, subject to certain terms and conditions of the credit agreement. There were \$25.0 million in borrowings outstanding under this credit facility as of September 30, 2021.

Our facility agreements contain certain financial covenants relating to financial measures on a consolidated basis, as well as on a stand-alone subsidiary basis, in certain cases, including minimum tangible net worth, minimum regulatory capital, minimum net unencumbered liquid assets, maximum net loss, minimum fixed charge coverage ratio and maximum funded debt to net worth ratio. Failure to comply with any such covenants could result in the debt becoming payable on demand. As of September 30, 2021, we and our subsidiaries are in compliance with all of our financial covenants under the outstanding facilities.

In accordance with required disclosure as part of our three-year syndicated revolving loan facility, during the trailing twelve months ended September 30, 2021, interest expense directly attributable to trading activities includes \$9.6 million in connection with trading activities conducted as an institutional dealer in fixed income securities, and \$17.6 million in connection with securities lending activities.

### *Other Capital Considerations*

Our activities are subject to various significant governmental regulations and capital adequacy requirements, both in the U.S. and in the international jurisdictions in which we operate. Our subsidiaries are in compliance with all of their capital regulatory requirements as of September 30, 2021. Additional information on our subsidiaries subject to significant net capital and minimum net capital requirements can be found in Note 22 of the Consolidated Financial Statements.

The Dodd-Frank Act created a comprehensive new regulatory regime governing the OTC swaps and imposed further regulations on listed derivatives. The Dodd-Frank Act also created a registration regime for new categories of market participants, such as “swap dealers”, among others.

The Dodd-Frank Act generally introduced a framework for (i) swap data reporting and record keeping on counterparties and data repositories; (ii) centralized clearing for swaps, with limited exceptions for end-users; (iii) the requirement to execute swaps on regulated swap execution facilities; (iv) imposition on swap dealers to exchange margin on uncleared swaps with counterparties; and (v) the requirement to comply with new capital rules.

Swap dealers are subject to a comprehensive regulatory regime with new obligations for the swaps activities for which they are registered, including adherence to risk management policies, supervisory procedures, trade record and real time reporting requirements, as well as rules for minimum capital requirements which became effective October 6, 2021.

Our subsidiary, StoneX Markets LLC, is a CFTC provisionally registered swap dealer, and under these capital rules is subject to a minimum regulatory capital requirement of \$100 million. During 2016, CFTC 23.154, Calculation of Initial Margin rules came into effect, imposing new requirements on registered swap dealers and certain counterparties to exchange initial margin, with phased-in compliance dates, with StoneX Markets LLC falling in the final compliance date tier of September 2022.

Compliance with this or other swap-related regulatory capital requirements may require us to devote more capital to these businesses or otherwise restructure our operations, such as by combining these businesses with other regulated subsidiaries that must also satisfy regulatory capital requirements. StoneX Markets LLC has faced, and may continue to face, increased costs due to the registration and regulatory requirements listed above, as may any other of our subsidiaries that may be required to register, or may register voluntarily, as a swap dealer and/or swap execution facility.

Our subsidiary, GAIN GTX, LLC, a CFTC and NFA provisionally registered swap dealer, withdrew its license on October 5, 2021. This subsidiary’s withdrawal is not expected to have any material impact to our business.

### *Cash Flows*

Following the adoption of Accounting Standards Update (“ASU”) 2016-18 on October 1, 2018, we now include client cash and securities that meet the short term requirement for cash classification to be segregated for regulatory purposes in our consolidated cash flow statements. We hold a significant amount of U.S. Treasury obligations which represent investment of client funds or client-owned investments pledged in lieu of cash margin. U.S. Treasury securities held with third-party banks or pledged with exchange-clearing organizations representing investments of client funds or which are held for particular clients in lieu of cash margin are included in the beginning and ending cash balances reconciled on our consolidated statements of cash flows to the extent that they have an original or acquired maturity of 90 days or less and, therefore, meet the definition of a segregated cash equivalent. Purchases and sales of U.S. Treasury securities representing investment of clients’ funds and U.S. Treasury securities pledged or redeemed by particular clients in lieu of cash margin are presented as operating uses and sources of cash, respectively, within the operating section of the consolidated statements of cash flows if they have an original or acquired maturity of greater than 90 days. Typically, there is an offsetting use or source of cash related to the change in the payables to clients. However, we will report a use of cash in periods where segregated U.S. Treasury securities that meet the aforementioned definition of a segregated cash equivalent mature and are replaced with U.S. Treasury securities that have original or acquired maturities that are greater than 90 days.

Our cash, segregated cash, cash equivalents, and segregated cash equivalents increased from \$4,468.4 million as of September 30, 2020 to \$6,509.5 million as of September 30, 2021, a net increase of \$2,041.1 million. Net cash of \$2,122.7 million was provided by operating activities, including movements typical of our operations, with large changes coming from Payables to clients and Financial instruments owned and sold.

In the broker-dealer and related trading industries, companies report trading activities in the operating section of the statement of cash flows. Due to the daily price volatility in the commodities market, as well as changes in margin requirements, fluctuations in the balances of deposits held at various exchanges, marketable securities and client commodity accounts may occur from day-to-day. A use of cash, as calculated on the consolidated statement of cash flows, includes unrestricted cash transferred and pledged to the exchanges or guaranty funds. These funds are held in interest-bearing deposit accounts at the exchanges, and based on daily exchange requirements, may be withdrawn and returned to unrestricted cash. Additionally, within our unregulated OTC and foreign exchange operations, cash deposits received from clients are reflected as cash provided from operations. Subsequent transfer of these cash deposits to counterparties or exchanges to margin their open positions will be reflected as an operating use of cash to the extent the transfer occurs in a different period than the cash deposit was received.

Unrealized gains and losses on open positions revalued at prevailing foreign currency exchange rates are included in trading revenue but have no direct impact on cash flow from operations. Similarly, gains and losses become realized when client transactions are liquidated, though they do not affect cash flow. To some extent, the amount of net deposits made by our clients in any given period is influenced by the impact of gains and losses on our client balances, such that clients may be required to post additional funds to maintain open positions or may choose to withdraw excess funds on open positions.

We continuously evaluate opportunities to expand our business. Investing activities include \$62.1 million in capital expenditures for property and equipment during the year ended September 30, 2021 compared to \$16.6 million during the year ended September 30, 2020 and \$11.9 million during the year ended September 30, 2019. Capital expenditures over the past three years have primarily included core information technology hardware acquisitions and leasehold improvements on office space. Following the acquisition of Gain we expect higher capital expenditures for future years primarily related to developing and creating additional features to various trading platforms.

In conjunction with the integration of Gain, we re-evaluated all trading systems utilized across the organization in order to identify duplicative systems. In connection with this process, we determined that certain legacy capitalized developed software costs within our OTC foreign exchange and precious metals businesses and would no longer be placed into service and utilized as expected prior to the merger with Gain. As a result, we recorded impairment charges of \$5.7 million, which were reflected in *Bad debts, net of recoveries and impairments* on the Consolidated Income Statement for the year ended September 30, 2020.

Investing activities also include \$2.4 million in cash payments for the acquisition of businesses during the year ended September 30, 2021 compared to \$225.0 million during the year ended September 30, 2020. Further information about business acquisitions is contained in Note 21 to the Consolidated Financial Statements. These amounts were offset by smaller inflows related to sales of equipment and exchange membership stock of \$3.1 million and \$1.6 million, respectively.

During the years ended September 30, 2021, 2020 and 2019, we repurchased 185,366, 200,000 and 100,000 shares of our outstanding common stock in open market transactions, for an aggregate purchase price of \$11.7 million, \$7.5 million and \$3.8 million, respectively.

On August 25, 2021, our Board of Directors authorized the repurchase of up to 1.0 million shares of our outstanding common stock from time to time in open market purchases and private transactions, commencing on October 1, 2021 and ending on September 30, 2022. The repurchases are subject to the discretion of the senior management team to implement our stock repurchase plan, and subject to market conditions and as permitted by securities laws and other legal, regulatory and contractual requirements and covenants.

Apart from what has been disclosed above, there are no known trends, events or uncertainties that have had or are likely to have a material impact on our liquidity, financial condition and capital resources.

### Contractual Obligations

The following table summarizes our cash payment obligations as of September 30, 2021:

(in millions)	Total	Payments Due by Period			
		Less than 1 year	1 - 3 Years	3 - 5 Years	After 5 Years
Operating lease obligations	\$ 186.0	\$ 17.2	\$ 32.4	\$ 29.9	\$ 106.5
Purchase obligations <sup>(1)</sup>	5,123.0	5,123.0	—	—	—
Payable to lenders under loans	248.6	240.5	1.1	7.0	—
Senior secured borrowings	518.6	9.8	160.4	348.4	—
Contingent acquisition consideration	3.9	3.9	—	—	—
Other	78.7	15.2	29.8	20.8	12.9
	<u>\$ 6,158.8</u>	<u>\$ 5,409.6</u>	<u>\$ 223.7</u>	<u>\$ 406.1</u>	<u>\$ 119.4</u>

(1) Represents an estimate of contractual purchase commitments in the ordinary course of business primarily for the purchase of precious metals and agricultural and energy commodities. Unpriced contract commitments have been estimated using September 30, 2021 fair values. The purchase commitments for less than one year will be partially offset by corresponding sales commitments of \$4,998.2 million.

Total contractual obligations exclude defined benefit pension obligations. We comply with the minimum funding requirements, and accordingly contributed \$0.1 million to our defined benefit pension plans during the year ended September 30, 2021. During the year ending September 30, 2022, we anticipate making future benefit payments of \$2.1 million related to the defined benefit plans. Additional information on the funded status of these plans can be found in Note 17 of the Consolidated Financial Statements.

Based upon our current operations, we believe that cash flow from operations, available cash and available borrowings under our credit facilities will be adequate to meet our future liquidity needs.

### Off Balance Sheet Arrangements

We are party to certain financial instruments with off-balance sheet risk in the normal course of business as a registered securities broker-dealer, futures commission merchant, U.K. based financial services firm, provisionally registered swap dealer and from our market-making and proprietary trading in the foreign exchange and commodities and debt securities markets. These financial instruments include futures, forward and foreign exchange contracts, exchange-traded and OTC options, To Be Announced (“TBA”) securities and interest rate swaps. Derivative financial instruments involve varying degrees of off-balance sheet market risk whereby changes in the fair values of underlying financial instruments may result in changes in the fair value of the financial instruments in excess of the amounts reflected in the Consolidated Balance Sheets. Exposure to market risk is influenced by a number of factors, including the relationships between the financial instruments and our positions, as well as the volatility and liquidity in the markets in which the financial instruments are traded. The principal risk components of financial instruments include, among other things, interest rate volatility, the duration of the underlying instruments and changes in commodity pricing and foreign exchange rates. We attempt to manage our exposure to market risk through various techniques. Aggregate market limits have been established and market risk measures are routinely monitored against these limits. Derivative contracts are traded along with cash transactions because of the integrated nature of the markets for such products. We manage the risks associated with derivatives on an aggregate basis along with the risks associated with our proprietary trading and market-making activities in cash instruments as part of our firm-wide risk management policies.

A significant portion of these instruments are primarily the execution of orders for commodity futures and options on futures contracts on behalf of our clients, substantially all of which are transacted on a margin basis. Such transactions may expose us to significant credit risk in the event margin requirements are not sufficient to fully cover losses which clients may incur. We control the risks associated with these transactions by requiring clients to maintain margin deposits in compliance with both clearing organization requirements and internal guidelines. We monitor required margin levels daily and, therefore, may require clients to deposit additional collateral or reduce positions when necessary. We also establish contract limits for clients, which are monitored daily. We evaluate each client’s creditworthiness on a case-by-case basis. Clearing, financing, and settlement activities may require us to maintain funds with or pledge securities as collateral with other financial institutions. Generally, these exposures to exchanges are subject to netting of open positions and collateral, while exposures to clients are subject to netting, per the terms of the client agreements, which reduce the exposure to us by permitting receivables and payables with such clients to be offset in the event of a client default. Management believes that the margin deposits held as of September 30, 2019 are adequate to minimize the risk of material loss that could be created by positions held at that time. Additionally, we monitor collateral fair value on a daily basis and adjust collateral levels in the event of excess market exposure. Generally, these exposures to both counterparties and clients are subject to master netting agreements and the terms of the client agreements, which reduce our exposure.



As a broker-dealer in U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations, we are engaged in various securities trading, borrowing and lending activities serving solely institutional counterparties. Our exposure to credit risk associated with the nonperformance of counterparties in fulfilling their contractual obligations pursuant to these securities transactions and market risk associated with the sale of securities not yet purchased can be directly impacted by volatile trading markets which may impair their ability to satisfy outstanding obligations to us. In the event of non-performance and unfavorable market price movements, we may be required to purchase or sell financial instruments, which may result in a loss to us.

We transact OTC and foreign exchange contracts with our clients, and our OTC and foreign exchange trade desks will generally offset the client's transaction simultaneously with one of our trading counterparties or will offset that transaction with a similar, but not identical, position on the exchange. These unmatched transactions are intended to be short-term in nature and are conducted to facilitate the most effective transaction for our client.

Additionally, we hold options and futures on options contracts resulting from market-making and proprietary trading activities in these product lines. We assist clients in our commodities trading business to protect the value of their future production (precious or base metals) by selling them put options on an OTC basis. We also provide our physical commodities trading business clients with sophisticated option products, including combinations of buying and selling puts and calls. We mitigate our risk by effecting offsetting options with market counterparties or through the purchase or sale of exchange-traded commodities futures. The risk mitigation of offsetting options is not within the documented hedging designation requirements of the Derivatives and Hedging Topic of the ASC.

As part of the activities discussed above, we carry short positions. We sell financial instruments that we do not own, borrow the financial instruments to make good delivery, and therefore are obliged to purchase such financial instruments at a future date in order to return the borrowed financial instruments. We record these obligations in the consolidated financial statements as of September 30, 2021 and 2020, at fair value of the related financial instruments, totaling \$1,771.2 million and \$686.0 million, respectively. These positions are held to offset the risks related to financial assets owned, and reported in our Consolidated Balance Sheets in *Financial instruments owned, at fair value*, and *Physical commodities inventory, net*. We will incur losses if the fair value of the *Financial instruments sold, not yet purchased*, increases subsequent to September 30, 2021, which might be partially or wholly offset by gains in the value of assets held as of September 30, 2021. The totals of \$1,771.2 million and \$686.0 million include a net liability of \$368.5 million and \$176.8 million for derivatives, based on their fair value as of September 30, 2021 and 2020, respectively.

We do not anticipate non-performance by counterparties in the above situations. We have a policy of reviewing the credit standing of each counterparty with which we conduct business. We have credit guidelines that limit our current and potential credit exposure to any one counterparty. We administer limits, monitor credit exposure, and periodically review the financial soundness of counterparties. We manage the credit exposure relating to our trading activities in various ways, including entering into collateral arrangements and limiting the duration of exposure. Risk is mitigated in certain cases by closing out transactions and entering into risk reducing transactions.

We are a member of various exchanges that trade and clear futures and option contracts. We are also a member of and provide guarantys to securities clearinghouses and exchanges in connection with client trading activities. Associated with our memberships, we may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchanges. While the rules governing different exchange memberships vary, in general our guaranty obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guaranty obligation would be apportioned among the other non-defaulting members of the exchange. Our liability under these arrangements is not quantifiable and could exceed the cash and securities we have posted as collateral at the exchanges. However, management believes that the potential for us to be required to make payments under these arrangements is remote. Accordingly, no contingent liability for these arrangements has been recorded in the Consolidated Balance Sheets as of September 30, 2021 and 2020.

#### *Effects of Inflation*

Increases in our expenses, such as compensation and benefits, transaction-based clearing expenses, occupancy and equipment rental, may result from inflation, while we may not be readily recoverable from increasing the prices of our services. Rising interest rates are generally favorable for us, to the extent that inflation has other adverse effects on the financial markets and on the value of the financial instruments held in inventory, it may adversely affect our financial position and results of operations.

#### *Critical Accounting Policies*

Preparing consolidated financial statements in conformity with U.S. GAAP requires that management make estimates and assumptions affecting reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, as well as the recorded amounts of revenue and expenses during the reported period. The accounting policies

discussed in this section are those that we consider the most critical to the financial statements. Therefore, understanding these policies is important to understanding our reported and potential future results of operations and financial position.

## **Valuation of Financial Instruments and Foreign Currencies**

### *Description*

Substantially all financial instruments are reflected in the consolidated financial statements at fair value, or amounts that approximate fair value due to their short-term nature or level of collateralization. These financial instruments include: cash and cash equivalents; cash, securities and other assets segregated under federal and other regulations; securities purchased under agreements to resell; securities borrowed; deposits with and receivables from broker-dealers, clearing organizations, and counterparties; financial instruments owned; securities sold under agreements to repurchase; securities loaned; and financial instruments sold, but not yet purchased. Unrealized gains and losses related to these financial instruments, when we are principal to the transaction, are reflected in earnings.

Foreign currency translation is an estimate critical to consolidating in our reporting currency. The value of foreign currencies, including foreign currencies sold, not yet purchased, are converted into their U.S. dollar equivalents at the foreign exchange rates in effect at the close of business at the end of the accounting period. For foreign currency transactions completed during each reporting period, the foreign exchange rate in effect at the time of the transaction is used.

### *Judgment and Uncertainties*

At each period end, we, using professional judgment and industry expertise, select fair values for financial instruments. Where available, we price from independent sources such as listed market prices, third-party pricing services, or broker or dealer price quotations. In limited cases, we use fair values derived from pricing models that consider current market and contractual prices for the underlying financial instruments or commodities, as well as time value and yield curve or volatility factors underlying the positions. In some cases, even though the value of a security is derived from an independent market price, or broker or dealer quote, certain assumptions may be required to determine the fair value.

### *Effect if Actual Results Differ From Assumptions*

Our valuation assumptions may be incorrect, and the actual value realized upon closing any position could be different from estimated carrying value, because of changes in prices, assumptions, or the overall business environment. We do not believe that there is a reasonable likelihood that such a possibility will be significant. This view is supported by a few key factors:

- Valuations for substantially all of the financial instruments, most of which are in highly liquid markets, are available from independent, well-known publishers of market information.
- We have robust controls and procedures surrounding pricing and our various technologies involved in it.
- The relevant positions are generally short-term in nature.
- The Company holds positions in a wide range of products, such that an error in a limited number of prices is unlikely to cause a significant change to the overall result and pricing issues in a wide array of products is very unlikely.

## **Revenue Recognition**

### *Description*

A significant portion of our revenues are derived principally, from realized and unrealized trading income in securities, derivative instruments, commodities and foreign currencies purchased or sold for our account. We record realized and unrealized trading income on a trade date basis. We state financial instruments owned and financial instruments sold, not yet purchased and foreign currencies sold, not yet purchased, at fair value with related changes in unrealized appreciation or depreciation reflected in *Principal gains, net* in the Consolidated Income Statements. We record fee and interest income on the accrual basis and dividend income is recognized on the ex-dividend date.

A substantial amount of our revenues derive from *Commission and clearing fees*. These revenue types involve less complexity than *Principal gains, net* would, as, generally, we are an agent in the underlying transactions. We recognize revenues on a trade date basis for the transactions, as, typically, our obligation is met at that point and there are no future obligations to consider.

Revenue on commodities that are purchased for physical delivery to clients and that are not readily convertible into cash is recognized at the point in time when the commodity has been shipped, title and risk of loss has been transferred to the client, and the following conditions have been met: persuasive evidence of an arrangement exists, the price is fixed and determinable, and collectability of the resulting receivable is reasonably assured.

### *Judgment and Uncertainties*

Judgments, outside of the valuation considerations previously discussed, relate to the timing and appropriateness of revenue recognition and whether we have fulfilled our performance obligations.

*Effect if Actual Results Differ From Assumptions*

If we misapply the relevant guidance or incorrectly recognize revenue that we have not earned, earnings may be misstated. We do not believe that such a possibility is reasonably likely, because we have developed systems and controls for each of our businesses to capture all known transactions in the appropriate reporting period. In addition, the overwhelming majority of our revenue is recognized upon trade consummation, as our obligation is met, and we do not need to estimate when that may have occurred.

**Income Taxes**

*Description*

We are subject to income taxes in the U.S. and numerous foreign jurisdictions.

*Judgement and Uncertainties*

Judgment is required in determining the consolidated income taxes and in evaluating tax positions, including evaluating income tax uncertainties. As a result, the company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. These tax liabilities are recognized when, despite our belief that our tax return positions are supportable, we believe that certain positions may not be fully sustained upon review by the relevant tax authorities.

Income taxes are accounted for under the asset and liability method, recognizing the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled, with any change in tax rates recognized in income in the period that includes the enactment date. Management considers all relevant evidence for each jurisdiction to determine valuation allowances. If we change our determination as to the amount of deferred tax assets we expect to realize, we adjust our valuation allowance with a corresponding impact to income tax expense in the period in which such determination is made.

*Effect if Actual Results Differ From Assumptions*

We believe that our accruals for tax liabilities are adequate for all open audit years. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. To the extent circumstances arise requiring us to change our judgment regarding the adequacy of existing tax accounts, we do not believe such a change is likely to be material to our financial statements. The tax accounts in total are relatively immaterial to the balance sheet, which, when combined with their likelihood of being misstated, particularly our valuation allowances given our positive earnings trend in recent years, results in a generally insignificant risk to us.

*Accounting Standards Update*

In December 2019, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes. This ASU removes certain exceptions for recognizing deferred taxes for investments, performing intra-period allocation and calculating income taxes in interim periods. The ASU also adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax goodwill and allocating taxes to members of a consolidated group. We intend to adopt this guidance during the three months ended December 31, 2021. We are currently evaluating the impact that this new guidance will have on our consolidated financial statements.

**Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

See also Note 4 to the Consolidated Financial Statements, ‘Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk’.

*Market Risk*

We conduct our market-making and trading activities predominantly as a principal, which subjects our capital to significant risks. These risks include, but are not limited to, absolute and relative price movements, price volatility and changes in liquidity, over which we have virtually no control. Our exposure to market risk varies in accordance with the volume of client-driven market-making transactions, the size of the proprietary positions and the volatility of the financial instruments traded.

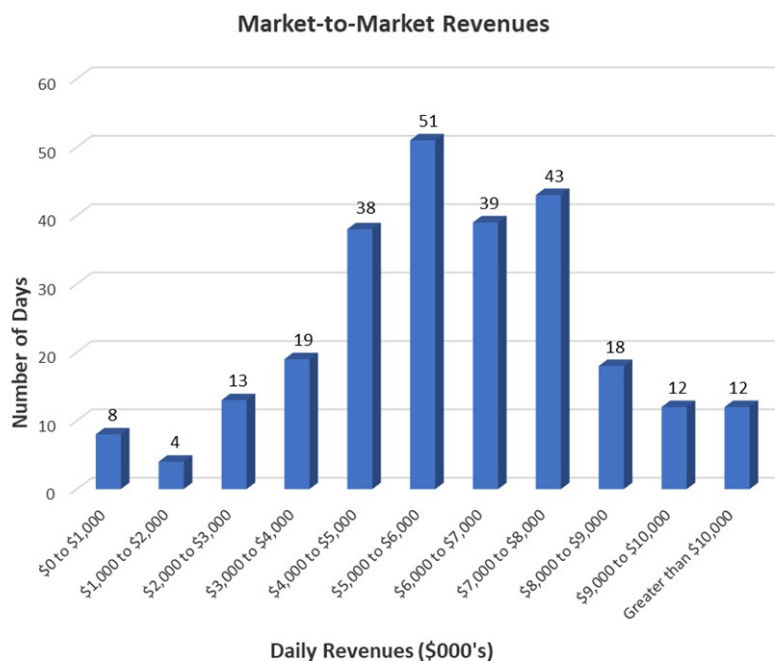
We seek to mitigate exposure to market risk by utilizing a variety of qualitative and quantitative techniques:

- Diversification of business activities and instruments;
- Limitations on positions;
- Allocation of capital and limits based on estimated weighted risks; and
- Daily monitoring of positions and mark-to-market profitability.

We utilize derivative products in a trading capacity as a dealer to satisfy client needs and mitigate risk. We manage risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with our other trading activities.

We are exposed to market risk in connection with our retail trading activities. Because we act as counterparty to our retail customers' transactions, we are exposed to risk on each trade that the value of our position will decline. Accordingly, accurate and efficient management of our net exposure is a high priority, and we have developed policies addressing both our automated and manual procedures to manage our exposure. These risk-management policies and procedures are established and reviewed regularly by the Risk Committee of our Board of Directors. Our risk-management policies require quantitative analyses by instrument, as well as assessment of a range of market inputs, including trade size, dealing rate, customer margin and market liquidity. Our risk-management procedures require our team of senior traders to monitor risk exposure on a continuous basis and update senior management both informally over the course of the trading day and formally through intraday and end of day reporting. A key component of our approach to managing market risk is that we do not initiate market positions for our own account in anticipation of future movements in the relative prices of products we offer.

Management believes that the volatility of revenues is a key indicator of the effectiveness of its risk management techniques. The graph below summarizes volatility of our daily revenue, determined on a marked-to-market basis, during the year ended September 30, 2021.



In our Securities market-making and trading activities, we maintain inventories of equity and debt securities. In our Commercial segment, our positions include physical commodities inventories, precious metals on lease, forwards, futures and options on futures, and OTC derivatives. Our commodity trading activities are managed as one consolidated book for each commodity encompassing both cash positions and derivative instruments. We monitor the aggregate position for each commodity in equivalent physical ounces, metric tons, or other relevant unit.

#### *Interest Rate Risk*

In the ordinary course of our operations, we have interest rate risk from the possibility that changes in interest rates will affect the values of financial instruments and impact interest income earned. Within our domestic institutional dealer in fixed income securities business, we maintain a significant amount of trading assets and liabilities which are sensitive to changes in interest rates. These trading activities primarily consist of securities trading in connection with U.S. Treasury, U.S. government agency, agency mortgage-backed and agency asset-backed obligations as well as investment grade, high-yield, convertible and emerging markets debt securities. Derivative instruments, which consist of futures, TBA securities and forward settling transactions, are used to manage risk exposures in the trading inventory. We enter into TBA securities transactions for the sole purpose of managing risk associated with mortgage-backed securities.

In addition, we generate interest income from the positive spread earned on client deposits. We typically invest in U.S. Treasury bills, notes, and obligations issued by government sponsored entities, reverse repurchase agreements involving U.S. Treasury bills and government obligations or AA-rated money market funds. In some instances, we maintain interest earning cash deposits with banks, clearing organizations and counterparties. We have an investment policy which establishes acceptable standards of credit quality and limits the amount of funds that can be invested within a particular fund, institution, clearing organization or counterparty. We estimate that as of September 30, 2021, an immediate 25 basis point decrease in short-term interest rates would result in approximately \$9.3 million less in annual pretax income.

We manage interest expense using a combination of variable and fixed rate debt. The debt instruments are carried at their unpaid principal balance which approximates fair value. As of September 30, 2021, \$418.9 million of outstanding principal debt was variable-rate debt. We are subject to earnings and liquidity risks for changes in the interest rate on this debt. As of September 30, 2021, \$348.4 million of outstanding principal debt was fixed-rate long-term debt.

#### *Foreign Currency Risk*

Currency risk arises from the possibility that fluctuations in foreign exchange rates will impact the value of our earnings and assets. Entities that have assets and liabilities denominated in currencies other than the primary economic environment in which the entity operates are subject to remeasurement. Virtually all sales and related operating costs are denominated in the currency of the local country and translated into USD for consolidated reporting purposes. Although the majority of the assets and liabilities of these subsidiaries are denominated in the functional currency of the subsidiary, they may also hold assets or liabilities denominated in other currencies. As a result, our results of operations and financial position are exposed to changing currency rates. We may consider entering into hedging transactions to mitigate our exposure to foreign currency exchange rates. These hedging transactions may not be successful.

## ITEM 8. Financial Statements and Supplementary Data

### Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
StoneX Group Inc.:

#### *Opinion on the Consolidated Financial Statements*

We have audited the accompanying consolidated balance sheets of StoneX Group Inc. and subsidiaries (the Company) as of September 30, 2021 and 2020, the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of cash flows, and consolidated statements of stockholders' equity for each of the years in the three-year period ended September 30, 2021, and the related notes and financial statement schedule (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of September 30, 2021 and 2020, and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of September 30, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated November 29, 2021 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

#### *Basis for Opinion*

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

#### *Critical Audit Matter*

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### *Revenue recognition for unrealized gains and losses from market making activities*

As discussed in Note 15 to the consolidated financial statements, the Company recognized revenue of \$892.0 million for principal gains, net from financial transactions or contracts for which the Company acted as principal, a portion of which related to unrealized gains and losses derived from over-the-counter derivatives, equities, fixed income, and foreign exchange market making activities (collectively, the Unrealized Gains and Losses). Such Unrealized Gains and Losses represent the change in fair value for those financial instruments owned and sold, not yet purchased that are held by the Company as principal as of year-end and reflected in earnings.

We identified revenue recognition related to the Unrealized Gains and Losses as a critical audit matter. A high degree of auditor effort, including subjective and complex auditor judgment, was involved in determining the sufficiency and timing of audit procedures required to evaluate the existence and accuracy of the Unrealized Gains and Losses reflected in earnings as of September 30, 2021.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Unrealized Gains and Losses, including controls over the computations of the Unrealized Gains and Losses, as well as controls ensuring that trading subledger values were not modified within these computations. We evaluated the Unrealized Gains and Losses as of September 30, 2021 by assessing the Company's revenue recognition, comparing inputs to the Unrealized Gains and Losses computations prepared by the Company to source documents, and recalculating the Unrealized Gains and Losses recorded. We also assessed the sufficiency of the audit evidence obtained related to the Unrealized Gains and Losses by evaluating the cumulative results of the audit procedures and potential management bias.

*/s/ KPMG LLP*

We have served as the Company's auditor since 2010.

Kansas City, Missouri  
November 29, 2021

## Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors  
StoneX Group Inc.:

### *Opinion on Internal Control Over Financial Reporting*

We have audited StoneX Group Inc. and subsidiaries' (the Company) internal control over financial reporting as of September 30, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 30, 2021, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of September 30, 2021 and 2020, and the related consolidated income statements, consolidated statements of comprehensive income, consolidated statements of cash flows, and consolidated statements of stockholders' equity, for each of the years in the three-year period ended September 30, 2021, and the related notes and financial statement schedule (collectively, the consolidated financial statements), and our report dated November 29, 2021 expressed an unqualified opinion on those consolidated financial statements.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of September 30, 2021 excluded StoneX Payment Services Ltd., formerly EncoreFx Ltd., acquired with effect from December 22, 2020, and Chasing Returns Limited, acquired with effect from August 3, 2021. These acquired businesses had aggregate total assets of \$8.0 million and total revenues of \$0.6 million included in the Company's consolidated financial statements as of and for the year ended September 30, 2021. Our audit of internal control over financial reporting of the Company also excluded an evaluation of the internal control over financial reporting of StoneX Payment Services Ltd. and Chasing Returns Limited.

### *Basis for Opinion*

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### *Definition and Limitations of Internal Control Over Financial Reporting*

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ KPMG LLP

Kansas City, Missouri  
November 29, 2021



**StoneX Group Inc.**  
**Consolidated Balance Sheets**

(in millions, except par value and share amounts)	September 30, 2021	September 30, 2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,109.6	\$ 952.6
Cash, securities and other assets segregated under federal and other regulations (including \$14.1 million and \$2.6 million at fair value at September 30, 2021 and 2020, respectively)	2,274.4	1,920.2
Collateralized transactions:		
Securities purchased under agreements to resell	2,239.9	1,696.2
Securities borrowed	2,163.1	1,440.0
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net (including \$1,070.6 million and \$1,775.8 million at fair value at September 30, 2021 and 2020, respectively)	5,292.9	3,629.9
Receivable from clients, net (including \$2.6 million and \$1.5 million at fair value at September 30, 2021 and 2020, respectively)	461.1	411.4
Notes receivable, net	6.1	1.7
Income taxes receivable	26.6	16.6
Financial instruments owned, at fair value (includes securities pledged as collateral that can be sold or repledged of \$843.3 million and \$468.6 million at September 30, 2021 and 2020, respectively)	4,354.6	2,727.7
Physical commodities inventory, net (including \$359.9 million and \$215.7 million at fair value at September 30, 2021 and 2020, respectively)	447.5	281.1
Deferred income taxes, net	35.1	36.9
Property and equipment, net	93.3	62.1
Operating right of use assets	125.3	101.5
Goodwill and intangible assets, net	100.8	109.5
Other assets	109.3	87.5
<b>Total assets</b>	<b>\$ 18,839.6</b>	<b>\$ 13,474.9</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable and other accrued liabilities (including \$2.8 million and \$1.5 million at fair value at September 30, 2021 and 2020, respectively)	\$ 305.1	\$ 272.6
Operating lease liabilities	146.6	118.7
Payables to:		
Clients (including \$291.5 million and \$(222.7) million at fair value at September 30, 2021 and 2020, respectively)	7,835.9	5,689.0
Broker-dealers, clearing organizations and counterparties (including \$12.7 million and \$14.7 million at fair value at September 30, 2021 and 2020, respectively)	613.5	537.5
Lenders under loans	248.6	268.1
Senior secured borrowings, net	507.0	515.5
Income taxes payable	13.2	22.6
Collateralized transactions:		
Securities sold under agreements to repurchase	4,340.9	3,155.5
Securities loaned	2,153.6	1,441.9
Financial instruments sold, not yet purchased, at fair value	1,771.2	686.0
<b>Total liabilities</b>	<b>17,935.6</b>	<b>12,707.4</b>
Commitments and contingencies (Note 13)		
<b>Stockholders' equity:</b>		
Preferred stock, \$0.01 par value. Authorized 1,000,000 shares; no shares issued or outstanding	—	—
Common stock, \$0.01 par value. Authorized 30,000,000 shares; 22,431,233 issued and 19,823,910 outstanding at September 30, 2021 and 21,798,551 issued and 19,376,594 outstanding at September 30, 2020	0.2	0.2
Common stock in treasury, at cost. 2,607,323 shares at September 30, 2021 and 2,421,957 shares at September 30, 2020	(69.3)	(57.6)
Additional paid-in-capital	315.7	292.6
Retained earnings	682.5	572.4
Accumulated other comprehensive loss, net	(25.1)	(40.1)
<b>Total equity</b>	<b>904.0</b>	<b>767.5</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 18,839.6</b>	<b>\$ 13,474.9</b>

See accompanying notes to consolidated financial statements.

**StoneX Group Inc.**  
**Consolidated Income Statements**

(in millions, except share and per share amounts)	Year Ended September 30,		
	2021	2020	2019
<b>Revenues:</b>			
Sales of physical commodities	\$ 40,961.6	\$ 52,899.2	\$ 31,830.3
Principal gains, net	892.0	622.2	415.8
Commission and clearing fees	487.2	403.6	372.4
Consulting, management, and account fees	91.0	83.7	79.6
Interest income	102.4	130.9	198.9
<b>Total revenues</b>	<b>42,534.2</b>	<b>54,139.6</b>	<b>32,897.0</b>
Cost of sales of physical commodities	40,861.1	52,831.3	31,790.9
<b>Operating revenues</b>	<b>1,673.1</b>	<b>1,308.3</b>	<b>1,106.1</b>
Transaction-based clearing expenses	271.7	222.5	183.5
Introducing broker commissions	160.5	113.8	114.7
Interest expense	49.6	80.4	142.0
Interest expense on corporate funding	41.3	23.6	12.7
<b>Net operating revenues</b>	<b>1,150.0</b>	<b>868.0</b>	<b>653.2</b>
<b>Compensation and other expenses:</b>			
Compensation and benefits	679.1	518.7	393.1
Trading systems and market information	58.8	46.3	38.8
Professional fees	40.9	30.2	21.0
Non-trading technology and support	46.0	28.4	20.1
Occupancy and equipment rental	34.2	23.5	19.4
Selling and marketing	33.3	12.2	5.2
Travel and business development	4.5	8.9	16.2
Communications	9.3	7.0	6.6
Depreciation and amortization	36.5	19.7	14.0
Bad debts, net of recoveries and impairment	10.4	18.7	2.5
Recovery of bad debt on physical coal	—	—	(12.4)
Other	46.3	29.6	23.2
<b>Total compensation and other expenses</b>	<b>999.3</b>	<b>743.2</b>	<b>547.7</b>
Gain on acquisitions and other gains	3.4	81.9	5.5
<b>Income before tax</b>	<b>154.1</b>	<b>206.7</b>	<b>111.0</b>
Income tax expense	37.8	37.1	25.9
<b>Net income</b>	<b>\$ 116.3</b>	<b>\$ 169.6</b>	<b>\$ 85.1</b>
<b>Earnings per share:</b>			
Basic	\$ 5.90	\$ 8.78	\$ 4.46
Diluted	\$ 5.74	\$ 8.61	\$ 4.39
<b>Weighted-average number of common shares outstanding:</b>			
Basic	19,130,643	18,824,328	18,738,905
Diluted	19,678,168	19,180,479	19,014,395

See accompanying notes to consolidated financial statements.

**StoneX Group Inc.**  
**Consolidated Statements of Comprehensive Income**

(in millions)	Year Ended September 30,		
	2021	2020	2019
Net income	\$ 116.3	\$ 169.6	\$ 85.1
Other comprehensive gain/(loss), net of tax:			
Foreign currency translation adjustment	13.3	(4.5)	(0.8)
Pension liabilities adjustment	1.5	(0.2)	(0.8)
Reclassification of adjustment for losses/(gains) included in net income:			
Periodic pension costs (included in compensation and benefits)	0.2	0.1	0.1
Foreign currency gains realized upon dissolution of subsidiaries (included in principal gains, net)	—	—	(0.2)
Reclassification adjustment for gains/(losses) included in net income	0.2	0.1	(0.1)
Other comprehensive gain/(loss)	15.0	(4.6)	(1.7)
Comprehensive income	\$ 131.3	\$ 165.0	\$ 83.4

See accompanying notes to consolidated financial statements.

**StoneX Group Inc.**  
**Consolidated Statements of Cash Flows**

(in millions)	Year Ended September 30,		
	2021	2020	2019
Cash flows from operating activities:			
Net income	\$ 116.3	\$ 169.6	\$ 85.1
Adjustments to reconcile net income to net cash provided by operating activities:			
Recovery bad debt on physical coal	—	—	(2.4)
Depreciation and amortization	36.5	19.7	14.0
Amortization of operating right of use assets	12.2	9.9	—
Provision for bad debts, net of recoveries and impairment	10.4	18.7	2.5
Deferred income taxes	3.2	4.1	3.7
Amortization and extinguishment of debt issuance costs	3.9	6.5	1.5
Actuarial gain on pension and postretirement benefits	(0.3)	(0.2)	(0.3)
Amortization of share-based compensation expense	13.9	10.3	8.1
Gain on acquisition	(3.3)	(81.9)	(5.5)
Gain on stock sales of clearing organization memberships	(0.7)	—	—
Changes in operating assets and liabilities, net:			
Securities and other assets segregated under federal and other regulations	(1.0)	293.0	337.2
Securities purchased under agreements to resell	(543.7)	(271.7)	(553.7)
Securities borrowed	(723.1)	(16.8)	(1,197.7)
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties	(132.0)	(326.0)	(241.7)
Receivable from clients, net	(68.3)	0.9	(134.3)
Notes receivable, net	(4.4)	1.2	0.9
Income taxes receivable	(9.6)	(11.1)	(4.2)
Financial instruments owned, at fair value	(1,626.9)	(552.5)	(113.3)
Physical commodities inventory	(166.4)	(51.8)	3.0
Other assets	(16.7)	(3.7)	(8.3)
Accounts payable and other accrued liabilities	35.7	42.7	6.7
Operating lease liabilities	(8.6)	(9.5)	—
Payable to clients	2,146.7	2,093.7	(46.8)
Payable to broker-dealers, clearing organizations and counterparties	76.0	270.8	176.4
Income taxes payable	(9.4)	(0.3)	1.8
Securities sold under agreements to repurchase	1,185.4	381.8	837.0
Securities loaned	711.7	(18.0)	1,182.0
Financial instruments sold, not yet purchased, at fair value	1,085.2	(28.8)	(156.1)
Net cash provided by operating activities	2,122.7	1,950.6	195.6
Cash flows from investing activities:			
Proceeds from stock sales of clearing organization memberships	1.6	—	—
Cash paid for acquisitions	(2.4)	(225.0)	(28.9)
Sale of property and equipment	3.1	—	—
Purchase of property and equipment	(62.1)	(16.6)	(11.9)
Net cash used in investing activities	(59.8)	(241.6)	(40.8)
Cash flows from financing activities:			
Net change in lenders under loans with maturities 90 days or less	(33.5)	99.7	(162.6)
Proceeds from lenders under loans with maturities greater than 90 days	191.4	608.5	357.2
Repayments of lenders under loans with maturities greater than 90 days	(186.4)	(642.0)	(346.7)
Proceeds from issuance of senior secured term loan	—	21.5	175.0
Repayments of senior secured term loan	(9.8)	(9.8)	(6.6)
Proceeds from issuance of senior secured notes	—	344.8	—
Repayment of senior secured notes	(1.6)	(92.1)	—
Issuance of note payable	9.0	—	—
Repayments of note payable	—	(0.4)	(0.8)
Deferred payments on acquisitions	(2.2)	(0.9)	—
Share repurchase	(11.7)	(7.5)	(3.8)
Debt issuance costs	—	(15.0)	(3.3)
Exercise of stock options	9.2	5.5	1.2
Net cash (used in)/provided by financing activities	(35.6)	312.3	9.6
Effect of exchange rates on cash, segregated cash, cash equivalents, and segregated cash equivalents	13.8	(4.2)	(0.7)
Net increase in cash, segregated cash, cash equivalents, and segregated cash equivalents	2,041.1	2,017.1	163.7
Cash, segregated cash, cash equivalents, and segregated cash equivalents at beginning of period	4,468.4	2,451.3	2,287.6
Cash, segregated cash, cash equivalents, and segregated cash equivalents at end of period	\$ 6,509.5	\$ 4,468.4	\$ 2,451.3

(in millions)	Year Ended September 30,		
	2021	2020	2019
(continued)			
Supplemental disclosure of cash flow information:			
Cash paid for interest	\$ 87.0	\$ 90.4	\$ 153.2
Income taxes paid, net of cash refunds	\$ 52.0	\$ 44.0	\$ 24.6
Supplemental disclosure of non-cash investing and financing activities:			
Identified intangible assets and goodwill on acquisitions	\$ 6.5	\$ 11.8	\$ 10.8
Additional consideration payable related to acquisitions	\$ 3.9	\$ 21.6	\$ 1.8
Acquisition of businesses:			
Assets acquired	\$ 6.5	\$ 1,169.2	\$ 47.1
Liabilities acquired	(4.1)	(359.5)	(8.9)
Total net assets acquired	\$ 2.4	\$ 809.7	\$ 38.2

The following table provides a reconciliation of cash, segregated cash, cash equivalents, and segregated cash equivalents reported within the Consolidated Balance Sheets.

(in millions)	September 30,		
	2021	2020	2019
Cash and cash equivalents	\$ 1,109.6	\$ 952.6	\$ 471.3
Cash segregated under federal and other regulations <sup>(1)</sup>	2,260.3	1,907.2	743.9
Cash segregated and deposited with or pledged to exchange-clearing organizations and other futures commission merchants ("FCMs") <sup>(2)</sup>	2,739.6	698.7	947.4
Securities segregated and pledged to exchange-clearing organizations <sup>(2)</sup>	400.0	909.9	288.7
Total cash, segregated cash, cash equivalents, and segregated cash equivalents shown in the consolidated statements of cash flows	\$ 6,509.5	\$ 4,468.4	\$ 2,451.3

<sup>(1)</sup> Represents segregated client cash held at third-party banks. Excludes segregated commodity warehouse receipts, segregated United States ("U.S.") Treasury obligations with original or acquired maturities of greater than 90 days, and other assets of \$14.1 million, \$13.0 million, and \$306.0 million as of September 30, 2021, 2020, and 2019, respectively, included within *Cash, securities and other assets segregated under federal and other regulations* on the Consolidated Balance Sheets.

<sup>(2)</sup> Represents segregated client cash and U.S. Treasury obligations on deposit with, or pledged to, exchange clearing organizations and other FCMs. Excludes non-segregated cash, segregated securities pledged to exchange-clearing organizations with original or acquired maturities greater than 90 days, and other assets of \$2,153.3 million, \$2,021.3 million, and \$1,304.4 million as of September 30, 2021, 2020, and 2019, respectively, included within *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net* on the Consolidated Balance Sheets.

See accompanying notes to consolidated financial statements.

**StoneX Group Inc.**  
**Consolidated Statements of Stockholders' Equity**

(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of September 30, 2018	\$ 0.2	\$ (46.3)	\$ 267.5	\$ 317.0	\$ (33.1)	\$ 505.3
Net income	—	—	—	85.1	—	85.1
Other comprehensive loss	—	—	—	—	(1.7)	(1.7)
Exercise of stock options	—	—	1.2	—	—	1.2
Share-based compensation	—	—	8.1	—	—	8.1
Repurchase of stock	—	(3.8)	—	—	—	(3.8)
Balances as of September 30, 2019	0.2	(50.1)	276.8	402.1	(34.8)	594.2
ASU 2018-02 cumulative transition adjustment	—	—	—	0.7	(0.7)	—
Adjusted balances as of September 20, 2019	0.2	(50.1)	276.8	402.8	(35.5)	594.2
Net income	—	—	—	169.6	—	169.6
Other comprehensive loss	—	—	—	—	(4.6)	(4.6)
Exercise of stock options	—	—	5.5	—	—	5.5
Share-based compensation	—	—	10.3	—	—	10.3
Repurchase of stock	—	(7.5)	—	—	—	(7.5)
Balances as of September 30, 2020	0.2	(57.6)	292.6	572.4	(40.1)	767.5
ASU 2016-13 cumulative transition adjustment	—	—	—	(6.2)	—	(6.2)
Adjusted balances as of September 30, 2020	0.2	(57.6)	292.6	566.2	(40.1)	761.3
Net income	—	—	—	116.3	—	116.3
Other comprehensive income	—	—	—	—	15.0	15.0
Exercise of stock options	—	—	9.2	—	—	9.2
Share-based compensation	—	—	13.9	—	—	13.9
Repurchase of stock	—	(11.7)	—	—	—	(11.7)
Balances as of September 30, 2021	\$ 0.2	\$ (69.3)	\$ 315.7	\$ 682.5	\$ (25.1)	\$ 904.0

See accompanying notes to consolidated financial statements.

**StoneX Group Inc.**  
**Notes to Consolidated Financial Statements**

**Note 1 – Description of Business and Significant Accounting Policies**

StoneX Group Inc., a Delaware corporation, and its consolidated subsidiaries (collectively “SNE X” or “the Company”), is a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service, and deep expertise. The Company strives to be its clients’ sole trusted partner, providing its network, products, and services to allow them to pursue trading opportunities, manage market risks, make investments and improve business performance. The Company offers a vertically integrated product suite, beginning with high-touch and electronic access to nearly all major financial markets worldwide, as well as numerous liquidity venues. The Company delivers access and service through the entire lifecycle of a trade, by delivering deep market expertise and on-the-ground intelligence, best execution, and finally post-trade clearing, custody, as well as settlement services. The Company has created revenue streams, diversified by asset class, client type and geography, that earn commissions and spreads as clients execute transactions across the Company’s financial networks, while the Company monetizes non-trading client activity including interest and fee earnings on client balances as well as earning consulting and fees for market intelligence and risk management services.

The Company provides these services to a diverse group of clients in more than 180 countries. These clients include more than 45,000 commercial and institutional clients and over 370,000 retail clients. The Company’s clients include commercial entities, asset managers, regional, national and introducing broker-dealers, insurance companies, brokers, institutional investors and professional traders, commercial and investment banks, and government and non-governmental organizations (“NGOs”).

The Company’s shareholders voted and approved changing the Company’s name from INTL FCStone Inc. to StoneX Group Inc. on June 24, 2020. The change became effective on July 7, 2020 and the Company’s common stock began trading on The NASDAQ Global Select Market under the symbol “SNE X”.

***Basis of Presentation***

The accompanying consolidated financial statements include the accounts of StoneX Group Inc. and all other entities in which the Company has a controlling financial interest. All material intercompany transactions and balances have been eliminated in consolidation.

In the Consolidated Income Statements, total revenues reported combine gross revenues for the physical commodities business and net revenues for all other businesses. The subtotal *Operating revenues* in the Consolidated Income Statements is physical commodities cost of sales deducted from total revenues. The subtotal *Net operating revenues* in the Consolidated Income Statements is operating revenues less transaction-based clearing expenses, introducing broker commissions, and interest expense. *Transaction-based clearing expenses* represent variable expenses paid to executing brokers, exchanges, clearing organizations, and banks in relation to transactional volumes. *Introducing broker commissions* include commission paid to non-employee third parties that have introduced clients to the Company. *Net operating revenues* represent revenues available to pay variable compensation to risk management consultants and traders, direct non-variable expenses, as well as variable and non-variable expenses related to both operational and administrative employees.

***Use of Estimates***

Preparing consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) requires that management make estimates and assumptions affecting the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenue and expense during the reporting period. The most significant of these estimates and assumptions in the current year relate to fair value measurements for financial instruments, revenue recognition, valuation of inventories, and income taxes. These estimates are based on management’s best knowledge of current events and actions the Company may undertake in the future. The Company reviews all significant estimates affecting the financial statements on a recurring basis and records the effect of any necessary adjustments prior to financial statement issuance. Although these and other estimates and assumptions are based on the best available information, actual results could be materially different from these estimates.

***Reclassifications***

During the year ended September 30, 2020, the Company reclassified certain selling and marketing related costs in connection with the acquisition of Gain Capital Holdings, Inc. (“Gain”). In performing this reclassification, the Company has made retrospective adjustments to the Consolidated Income Statements for the year ended September 30, 2019. For the year ended September 30, 2019, selling and marketing related costs of \$5.2 million were reclassified from *Other* expense to *Selling and marketing* expense.

### ***Foreign Currency Translation***

The Company's consolidated financial statements are reported in U.S. dollars. The Company's subsidiaries maintain their records either in U.S. dollars or, as appropriate, the currencies of the countries in which they operate. The method of translating local currency financial information into U.S. dollars depends on whether the economy in which the foreign subsidiary operates has been designated as highly inflationary or not. Economies with a three-year cumulative inflation rate of more than 100% are considered highly inflationary.

Assets and liabilities of foreign subsidiaries in non-highly inflationary economies are translated into U.S. dollars using rates of exchange at the balance sheet date. Translation adjustments are recorded in other comprehensive income (loss). Revenues and expense are translated at rates of exchange in effect at relevant times during the year. Transaction gains and losses related to changes in currency rates are recorded in earnings.

Foreign subsidiaries that operate in highly inflationary countries use the U.S. dollar as their functional currency. Local currency monetary assets and liabilities are remeasured into U.S. dollars using rates of exchange as of each balance sheet date, with remeasurement adjustments and other transaction gains and losses recognized in earnings. Nonmonetary assets and liabilities do not fluctuate with changes in the local currency exchange rates to the dollar as the translated amounts for nonmonetary assets and liabilities at the end of the accounting period in which the economy becomes highly inflationary becomes the accounting basis for those assets and liabilities in the period of change and subsequent periods. Revenues and expenses are translated at rates of exchange in effect at relevant times during the year.

The Company operates asset management and debt trading businesses in Argentina through various wholly-owned subsidiaries. Operating revenues from the Company's Argentinean subsidiaries were approximately 1% of the consolidated operating revenues for the year ended September 30, 2021. The operating environment in Argentina continues to present business challenges, including ongoing devaluation of the Argentine peso and significant inflation. Based upon inflationary data published by the International Practices Task Force of the Center for Audit Quality, the economy of Argentina became highly inflationary during the three months ended June 30, 2018, and continues to be considered highly inflationary.

Beginning July 1, 2018, the Company designated Argentina's economy as highly inflationary for accounting purposes. As a result, the Company has accounted for its Argentinean entities using the U.S. dollar as their functional currency, beginning in the quarter ending September 30, 2018. The Company has implemented strategies to reduce exposure to the Argentine peso. As a result of Argentina's highly inflationary status, the Company recorded translation gains through earnings of \$0.8 million for the year ended September 30, 2021. Translation adjustments recorded through earnings were de minimis for the year ended September 30, 2020. The Company recorded translation losses through earnings of \$3.9 million for the year ended September 30, 2019.

At September 30, 2021, the Company had net monetary assets denominated in Argentine pesos of \$0.4 million, compared to net liabilities of \$0.1 million at September 30, 2020. The Company held cash and cash equivalents denominated in Argentine pesos of less than \$0.1 million and \$0.1 million as of September 30, 2021 and 2020, respectively. At September 30, 2021 and 2020, the Company had net nonmonetary assets denominated in Argentine pesos of \$0.9 million.

### ***Cash and Cash Equivalents***

The Company considers cash held at banks and all highly liquid investments not held for trading purposes, with original or acquired maturities of 90 days or less, including certificates of deposit and money market mutual funds, to be cash and cash equivalents. Cash and cash equivalents consists of cash, certificates of deposit, and money market mutual funds not deposited with or pledged to clearing organizations, broker-dealers, clearing organizations or counterparties, or segregated under federal or other regulations. Certificates of deposit are stated at cost plus accrued interest, which approximates fair value, and may be withdrawn at any time, at the discretion of the Company. Money market mutual funds are stated at their net asset value.



### **Cash, Securities and Other Assets Segregated under Federal and other Regulations**

Pursuant to requirements of the Commodity Exchange Act and Commission Regulation 30.7 of the U.S. Commodity Futures Trading Commission (“CFTC”) in the U.S., the Markets in Financial Instruments Implementing Directive 2006/73/EC underpinning the Client Asset (“CASS”) rules in the Financial Services Authority (“FSA”) handbook in the United Kingdom (“U.K.”), and the Securities & Futures Act (“SFA”) in Singapore, funds deposited by clients relating to futures and options on futures contracts in regulated commodities must be carried in separate accounts, which are designated as segregated or secured client accounts. Additionally, in accordance with Rule 15c3-3 of the Securities Exchange Act of 1934 (“Rule 15c3-3”), the Company maintains separate accounts for the exclusive benefit of securities clients and proprietary accounts of broker dealers (“PABs”). Rule 15c3-3 requires the Company to maintain special reserve bank accounts (“SRBAs”) for the exclusive benefit of securities clients and PABs. The deposits in segregated client accounts and SRBAs are not commingled with Company funds. Under the FSA’s rules, certain categories of clients may choose to opt-out of segregation. As of September 30, 2021 and 2020, cash, securities, and other assets segregated under federal and other regulations consisted of cash held at banks of approximately \$2,260.3 million and \$1,907.2 million, respectively, U.S. Treasury obligations of approximately \$0.2 million and \$10.6 million, respectively, and commodities warehouse receipts of approximately \$13.9 million and \$2.4 million, respectively (see fair value measurements discussion in Note 3).

### **Collateralized Transactions**

The Company enters into securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed transactions, and securities loaned transactions primarily to fund principal debt trading, acquire securities to cover short positions, acquire securities for settlement, or meet counterparty needs under matched-booked trading strategies.

These transactions are accounted for as collateralized financing transactions and are recorded at their contractual amounts plus accrued interest. In connection with these agreements and transactions, it is the Company’s policy to receive or pledge cash or securities to collateralize such agreements and transactions in accordance with contractual arrangements. The Company monitors the fair value of its collateral on a daily basis, and the Company may require counterparties, or may be required by counterparties, to deposit additional collateral or return collateral pledged. Interest income and interest expense are recognized over the life of the arrangements and are recorded in the Consolidated Income Statements as *Interest income* or *Interest expense*, as applicable. The carrying amount of these transactions approximate fair value due to their short-term nature and the level of collateralization. These transactions are reported gross, except when a right of offset exists and the other criteria for netting under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 210-20, Balance Sheet - Offsetting are met.

### **Deposits with and Receivables from Broker-dealers, Clearing Organizations and Counterparties, and Payables to Broker-dealers, Clearing Organizations and Counterparties**

As required by regulations of the CFTC, FSA, and Monetary Authority of Singapore (“MAS”), client funds received to margin, guaranty, and/or secure commodity futures and futures on options as well as retail foreign exchange transactions are segregated and accounted for separately from the general assets of the Company. Deposits with broker-dealers, clearing organizations, and counterparties pertain primarily to deposits made to satisfy margin requirements on client and proprietary open futures and options on futures positions and to satisfy the requirements set by clearing exchanges for clearing membership. The Company also pledges margin deposits with various counterparties for over-the-counter (“OTC”) derivative contracts, and these deposits are also included in deposits with broker-dealers, clearing organizations, and counterparties. The Company also deposits cash margin with various securities clearing organizations as an ongoing condition of the securities clearing relationships, and these deposits are included in deposits with and receivables from broker-dealers, clearing organizations, and counterparties. Deposits with and receivables from broker-dealers, clearing organizations, and counterparties are reported gross, except where a right of offset exists. As of September 30, 2021 and 2020, the Company had cash and cash equivalents on deposit with or pledged to broker-dealers, clearing organizations, and counterparties of approximately \$3.1 billion and \$1.6 billion, respectively.

Deposits with and receivables from broker-dealers, clearing organizations, and counterparties also includes guaranty deposits with clearing exchanges. The guaranty deposits are held by the clearing exchanges for use in potential default situations by one or more members of the clearing exchanges. The guaranty deposits may be applied to the Company’s obligations to the clearing exchange, or to the clearing exchange’s obligations to unrelated parties.

Deposits with and receivables from broker-dealers, clearing organizations, and counterparties also include securities pledged to clearing exchanges. These securities are either pledged to the Company by its clients or represent investments of client funds. It is the Company’s practice to include client-owned securities on its Consolidated Balance Sheets, as the rights to those securities have been transferred to the Company under the terms of the futures trading agreements. Securities pledged primarily include U.S. Treasury obligations, foreign government obligations, and certain exchange-traded funds (“ETFs”). Securities that are not client-owned, and represent an investment of client funds, are adjusted to fair value with associated changes in unrealized gains or losses recorded in *Interest income* in the Consolidated Income Statements. For client-owned securities, the change in fair value is offset against the payable to clients with no impact recognized in the Consolidated Income Statements. The fair value

of these securities included within *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net* was \$810.7 million and \$1,949.3 million as of September 30, 2021 and 2020, respectively.

Management has considered guidance required by ASC 860, Transfers and Servicing as it relates to securities pledged by clients to margin their futures and options on futures trading accounts. Management believes that the transferor surrenders control over those assets because: (a) the transferred assets have been isolated from the transferor—put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership, (b) each transferee has the right to pledge or exchange the assets (or beneficial interests) it received, and no condition both constrains the transferee (or holder) from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the transferor and (c) the transferor does not maintain effective control over the transferred assets through either (1) an agreement that both entitles and obligates the transferor to repurchase or redeem them before their maturity or (2) the ability to unilaterally cause the holder to return specific assets, other than through a cleanup call. Under this guidance, the Company reflects the client collateral assets and corresponding liabilities in the Company's Consolidated Balance Sheets as of September 30, 2021 and 2020.

Deposits with and receivables from broker-dealers, clearing organizations, and counterparties also includes amounts due from clearing exchanges for unrealized gains and losses associated with clients' options on futures contracts. See discussion in the Financial Instruments section below for additional information on the Company's accounting policies for derivative contracts. For client-owned derivative contracts, the fair value is offset against the payable to clients with no impact recognized on the Consolidated Income Statements.

The Company maintains client omnibus and proprietary accounts with other clearing organizations, and the equity balances in those accounts, along with any margin cash or securities deposited with the clearing organizations are included in deposits with and receivables from broker-dealers, clearing organizations, and counterparties.

Deposits with and receivables from broker-dealers, clearing organizations, and counterparties also include amounts due from or due to clearing exchanges for daily variation settlements on open futures and options on futures positions. The variation settlements due from or due to clearing exchanges are paid in cash on the following business day. Variation settlements equal the daily settlement of futures contracts and premiums on options on futures contracts.

Deposits with and receivables from broker-dealers, clearing organizations, and counterparties also include amounts receivable for securities sold but not yet delivered by the Company on settlement date ("fails-to-deliver") and net receivables arising from unsettled proprietary trades.

Payables to broker-dealers, clearing organizations, and counterparties primarily include amounts payable for securities purchased but not yet received by the Company on settlement date ("fails-to-receive") and net payables arising from unsettled proprietary trades.

Deposits with and receivables from broker-dealers, clearing organizations and counterparties, and payables to broker-dealers, clearing organizations and counterparties also include amounts related to the value of registered broker-dealer clients cross-currency payment transactions related to the Global Payments segment. These amounts arise due to a clearing period before funds are received and payments are made, which usually is one to two business days.

#### ***Receivable from and Payable to Clients***

Receivable from clients, net of allowance for doubtful accounts, includes the total of net deficits in individual exchange-traded futures and OTC derivative trading accounts carried by the Company. Client deficits arise from realized and unrealized trading losses on client OTC, futures, options on futures, swaps and forwards and amounts due on cash and margin transactions. Client deficit accounts are reported gross of client accounts that contain net credit or positive balances, except where a right of offset exists. Net deficits in individual futures exchange-traded and OTC derivative trading accounts include both secured and unsecured deficit balances due from clients as of the balance sheet date. Secured deficit amounts are backed by U.S. Treasury obligations and commodity warehouse receipts. These U.S Treasury obligations and commodity warehouse receipts are not netted against the secured deficit amounts, as the conditions for right of offset have not been met. See note 13 for additional discussion of client deficit accounts originating in November 2018.

Receivable from clients, net also includes the net amounts receivable from securities clients in connection with the settlement of regular-way cash securities, margin loans to clients, and client cash debits. It is the Company's policy to report margin loans and payables that arise due to positive cash flows in the same client's accounts on a net basis when the conditions for netting as specified in U.S. GAAP are met. Clients' securities transactions cleared by the Company are recorded on a settlement date basis. Securities cleared by the Company and pledged to the Company as a condition of the custodial clearing arrangements are owned by the clients, including those that collateralize margin or other similar transactions, and are not reflected on the Consolidated Balance Sheets as the Company does not have title to, or beneficial interests, in those assets. In the event of uncompleted transactions on settlement date, the Company records corresponding receivables and payables, respectively. The carrying value of the receivables and payables approximates fair value due to their short-term nature.

Receivables from clients, net also include amounts receivable from non-broker-dealer clients for securities sold but not yet delivered by the Company on settlement date (“fails-to-deliver”) and net receivables arising from unsettled proprietary trades.

Payable to clients represent the total of client accounts with credit or positive balances. Client accounts are used primarily in connection with exchange-traded and OTC commodity, foreign exchange, precious metals, and securities transactions and include gains and losses on open trades as well as securities and cash margin deposits made as required by the Company, the exchange-clearing organizations or other clearing organizations. Client accounts with credit or positive balances are reported gross of client deficit accounts, except where a right of offset exists.

Payables to broker-dealers and counterparties also includes amounts payable to non-broker-dealer clients for securities purchased but not yet received by the Company on settlement date (“fails-to-receive”) and net payables arising from unsettled proprietary trades.

Receivable from and payables to clients also include amounts related to the value of non-registered broker-dealer clients cross-currency payment transactions related to the Global Payments segment. These amounts arise due to a clearing period before the funds are received and payments are made, which usually is one to two business days.

The future collectability of receivables from clients can be impacted by the Company’s collection efforts, the financial stability of its clients, and the general economic climate in which it operates. In determining collectability, the Company considers a number of factors including, but not limited to, historical collection experience, current and forecasted economic and business conditions, internal and external credit risk ratings, collateral terms, payment terms and aging of the financial asset, as well as specific-identification in certain circumstances. The Company evaluates accounts that it believes may become uncollectible on a specific identification basis, through reviewing daily margin deficit reports, the historical daily aging of the receivables, and by monitoring the financial strength of its clients. The Company may unilaterally close client trading positions in certain circumstances. In addition, to evaluate client margining and collateral requirements, client positions are stress tested regularly and monitored for excessive concentration levels relative to the overall market size. Furthermore, in certain instances, the Company is indemnified, and able to charge back, introducing broker-dealers for bad debts incurred by their clients.

The Company generally charges off an outstanding receivable balance when all economic means of recovery have been exhausted. That determination considers information such as the occurrence of significant changes in the client’s financial position such that the client can no longer pay the obligation, or that the proceeds from collateral will not be sufficient to pay the balance.

#### **Notes Receivable**

Accrual of commodity financing income on any note is discontinued when, in the opinion of management, there is reasonable doubt as to the timely collectability of interest or principal. Nonaccrual notes are returned to an accrual status when, in the opinion of management, the financial position of the borrower indicates there is no longer any reasonable doubt as to the timely payment of principal and interest. The Company records a charge against earnings for notes receivable losses when management believes that the collection of outstanding principal is not probable.

#### **Physical Commodities Inventory**

Inventories of certain agricultural commodities are carried at net realizable value, which approximates fair value less disposal costs. The agricultural commodities inventories have reliable, readily determinable and realizable market prices, have relatively predictable and insignificant costs of disposal and are available for immediate delivery. Changes in the fair values of these agricultural commodities inventories are included as a component of *Cost of sales of physical commodities* in the Consolidated Income Statements.

Inventories of energy related products are valued at the lower of cost or net realizable value. Inventories of precious metals held by subsidiaries that are not broker-dealers are valued at the lower of cost or net realizable value, using the weighted-average price and first-in first-out costing method. Changes in the values of these inventories are included as a component of *Cost of sales of physical commodities* in the Consolidated Income Statements.

Precious metals inventory held by StoneX Financial Ltd, a U.K. based broker-dealer subsidiary, is measured at fair value, with changes in fair value included as a component of *Principal gains, net* in the Consolidated Income Statements, in accordance with U.S. GAAP accounting requirements for broker-dealers.

Precious metals inventory held by subsidiaries that are not broker-dealers are valued at the lower of cost or net realizable value. Changes in the values of these precision metals inventories are included as a component of *Cost of sales of physical commodities* in the Consolidated Income Statements.

### ***Property and Equipment***

Property and equipment is stated at cost, net of accumulated depreciation and amortization and depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized on a straight-line basis over the estimated useful life of the improvement or the term of the lease, whichever is shorter. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in earnings. The Company had no assets held for sale at September 30, 2021 and 2020.

The Company accounts for costs incurred to develop its trading platforms and related software in accordance with ASC 350-40, Internal-Use Software, which requires that such technology be capitalized in the application development stages. Costs related to planning, training, administration, and non-value added maintenance are charged to expense as incurred. Capitalized software development costs are amortized over the useful life of the software, which the Company estimates at three years.

In accordance with ASC 360-10, Property, Plant and Equipment, the Company periodically evaluates the carrying value of long-lived assets when events and circumstances warrant such review. The carrying value of a long-lived asset is considered impaired when the anticipated identifiable undiscounted cash flows from such an asset (or asset group) are less than carrying value. In that event, a loss is recognized in the amount by which the carrying value exceeds fair market value of the long-lived asset. This standard applies to assets held for use and not to assets held for sale. The Company has identified no such impairment indicators as of September 30, 2021 and 2020.

### ***Acquisitions***

The Company applies acquisition accounting on the date of acquisition to those transactions meeting the definition of a business under ASC 805. Applying acquisition accounting requires the Company to allocate the purchase consideration to the fair value of the identifiable tangible and intangible assets acquired and liabilities assumed on acquisition date. In determining the fair value of identifiable assets acquired and liabilities assumed, the Company frequently utilizes a third-party valuation specialist. The Company applies certain significant assumptions, estimates, and judgments in determining the fair value of assets acquired and liabilities assumed on acquisition date. These significant assumptions, estimates, and judgements include, but are not limited to, cash flow forecasts, discount rates, client churn rates, royalty rates, and economic lives. Any excess of the purchase consideration over the fair value of the net assets acquired is recorded as goodwill. Alternatively, in an instance where the fair value of the net assets acquired exceeds the purchase consideration, the Company records a bargain purchase gain in the Consolidated Income Statements at the date of acquisition. While the Company uses its best estimates and assumptions as a part of the purchase price allocation to accurately value assets acquired and liabilities assumed at the acquisition date, these estimates are inherently uncertain and subject to refinement. As a result, during the remeasurement period, which may extend one year from the acquisition date, the Company may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill or bargain purchase gain. Upon conclusion of the measurement period or final determination of the fair values of assets acquired and liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Consolidated Income Statements rather than adjusted through goodwill or bargain purchase gains. The Company includes the post-acquisition results of acquired businesses in the Consolidated Income Statements from the date of acquisition. Acquisition related costs, such as fees for attorneys, accountants, and investment bankers, are expensed as incurred and are not capitalized as part of the purchase price.

### ***Goodwill and Identifiable Intangible Assets***

Goodwill is the cost of acquired companies in excess of the fair value of identifiable net assets at acquisition date. Goodwill is not subject to amortization, but rather is evaluated for impairment at least annually. The Company evaluates its goodwill for impairment at its fiscal year end, or more frequently if indicators of potential impairment exist, in accordance with ASC 350, Intangibles - Goodwill and Other. Goodwill impairment is determined by comparing the estimated fair value of a reporting unit (generally defined as the businesses for which financial information is available and reviewed regularly by management) with its respective carrying value. If the estimated fair value exceeds the carrying value, goodwill at the reporting unit level is not deemed to be impaired. However, if the estimated fair value is below carrying value, further analysis is required to determine the amount of the impairment.

In the course of the evaluation of the potential impairment of goodwill, the Company may perform either a qualitative or a quantitative assessment. The Company's qualitative assessment of potential impairment may result in the determination that a quantitative impairment analysis is not necessary. Under this elective process, the Company assesses qualitative factors to determine whether the existence of events or circumstances leads the Company to determine that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If after assessing the totality of events and circumstances, the Company determines it is more likely than not that the fair value of a reporting unit is greater than its carrying amount, then performing a quantitative analysis is not required. However, if the Company concludes otherwise, then the Company performs a quantitative impairment analysis.

If the Company either chooses not to perform a qualitative assessment, or the Company chooses to perform a qualitative assessment but is unable to qualitatively conclude that no impairment has occurred, then the Company performs a quantitative evaluation. In the case of a quantitative assessment, the Company estimates the fair value of the reporting unit with which the goodwill that is subject to the quantitative analysis is associated and compares it to the carrying value. If the estimated fair value of a reporting unit is less than its carrying value, the Company estimates the fair value of all assets and liabilities of the reporting unit, including goodwill. If the carrying value of the reporting unit's goodwill is greater than the estimated fair value, an impairment charge is recognized for the excess. The fair value of the Company's reporting units exceeded their respective carrying values under the qualitative assessment approach. No impairment charges were recorded for any of the periods presented.

Identifiable intangible assets subject to amortization are amortized using the straight-line method over their estimated period of benefit, ranging from five to twenty years. Both definite and indefinite lived identifiable intangible assets are tested for impairment whenever events or changes in circumstances suggest that an asset's or asset group's carrying value may not be fully recoverable. Residual value is presumed to be zero for all identifiable intangible assets.

#### ***Financial Instruments Owned and Sold, Not Yet Purchased***

Financial instruments owned and sold, not yet purchased, at fair value consist of financial instruments carried at fair value, measured on a recurring basis, or amounts that approximate fair value. Related realized and unrealized gains and losses are recognized in current period earnings within *Principal gains, net, Interest income, Interest expense, and Cost of sales of physical commodities* in the Consolidated Income Statements. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation.

Financial instruments owned and sold, not yet purchased comprise primarily the financial instruments held by the Company's broker-dealer subsidiaries and the Company's OTC derivative swap dealer. Financial instruments owned and financial instruments sold, not yet purchased, includes trading securities that the Company holds as a principal. The Company has not classified any financial instruments owned or sold, not yet purchased, as available-for-sale or held-to-maturity.

Financial instruments owned and sold, not yet purchased includes derivative instruments that the Company holds as a principal which are primarily transacted on an OTC basis. As a derivatives dealer, the Company utilizes these instruments to manage exposures to foreign currency, commodity price and interest rate risks for the Company and its clients. The Company's objectives for holding derivatives include reducing, eliminating, and efficiently managing the economic impact of these exposures as effectively as possible. The Company's derivative instruments also include forward purchase and sale commitments for the physical delivery of agricultural and energy related commodities in a future period. Contracts for the sale of agricultural and energy commodities generally do not extend beyond one year, while contracts to purchase agricultural and energy commodities generally relate to the current or future crop year.

Derivative instruments are recognized as either assets or liabilities and are measured at fair value on a recurring basis. As the Company does not elect hedge accounting for any derivative instruments, realized and unrealized gains and losses from the changes in fair value of derivative instruments are recognized immediately in current period earnings. Realized and unrealized gains and losses from the derivative instruments in which the Company acts as a dealer are included within *Principal gains, net* on the Consolidated Income Statements. Realized and unrealized gains and losses on firm purchase and sale commitments are included within *Cost of sales of physical commodities* on the Consolidated Income Statements.

To reduce credit exposure on the derivative instruments for which the Company acts as a dealer, the Company may enter into a master netting arrangement that allows for settlement of all derivative transactions with each counterparty. In addition, the credit support annex that accompanies master netting arrangements allows parties to the master netting agreement to mitigate their credit risk by requiring the party which is out of the money to post collateral. The Company accepts collateral in the form of cash or other marketable securities. Where permitted, the Company elects to net-by-counterparty certain derivative instruments entered into under a legally enforceable master netting agreement and, therefore, the fair value of those derivative instruments are netted by counterparty in the Consolidated Balance Sheets. As the Company elects to net-by-counterparty the fair value of such derivative instruments, the Company also nets-by-counterparty cash collateral exchanged as part of those derivative instruments.

The Company also brokers foreign exchange forwards, options and cash, or spot, transactions between clients and external counterparties. A portion of the contracts are arranged on an offsetting basis, limiting the Company's risk to performance of the two offsetting parties. The offsetting nature of the contracts eliminates the effects of market fluctuations on the Company's operating results. Due to the Company's role as a principal participating in both sides of these contracts, the amounts are presented gross on the Consolidated Balance Sheets at their respective fair values, net of offsetting assets and liabilities.

The Company holds proprietary positions in its foreign exchange line of business. On a limited basis, the Company's foreign exchange trade desk will accept a client transaction and will offset that transaction with a similar but not identical position with a counterparty. These unmatched transactions are intended to be short-term in nature and are often conducted to facilitate the

most effective transaction for the Company's client. These spot and forward contracts are accounted for as free-standing derivatives and reported in the Consolidated Balance Sheets at their fair values.

The Company may lease commodities to or from clients or counterparties. These commodity leases, which primarily involve precious metals, are recorded at fair value utilizing the fair value option based on guidance in ASC 825-10, Financial Instruments - Fair Value Option. These commodities leases represent hybrid financial instruments which contain both a dollar denominated loan host contract and an embedded forward derivative contract on the underlying commodities, which can be settled in either cash or metals. As permitted by the fair value option election, the entire instrument is recorded at fair value as either an asset or liability in the Consolidated Balance Sheets. The corresponding change in the fair value of the instrument is recognized in the Consolidated Income Statements as a component of *Principal gains, net* for the years ended September 30, 2021 and 2020. The Company elects to value all of its commodities lease agreements at fair value using the fair value option.

For further information regarding the types of financial instruments owned and sold, not yet purchased, as well as the related valuation techniques refer to Note 3.

#### **Exchange and Clearing Organization Memberships**

The Company or its affiliates are required to hold certain exchange and clearing organization memberships and pledges them for clearing purposes, in order to provide the right to process trades directly with the respective venues. Exchange memberships include seats on the Chicago Board of Trade ("CBOT"), the Minneapolis Grain Exchange, the New York Mercantile Exchange ("NYMEX"), the Commodity Exchange, Inc. ("COMEX") Division of the New York Mercantile Exchange, Mercado de Valores de Buenos Aires S.A. ("Merval"), the Chicago Mercantile Exchange ("CME") Growth and Emerging Markets, InterContinental Exchange, Inc. ("ICE") Futures US, and the London Metal Exchange ("LME"). Exchange firm and clearing organization common stock include shares of CME Group, Inc., ICE, LME Holdings Limited, and the Depository Trust & Clearing Corporation ("DTCC").

Exchange and clearing organization memberships required in order to conduct business through the respective venues are recorded at cost and are included in *Other assets* on the Consolidated Balance Sheets. Equity investments in exchange firm common stock not required in order to conduct business on the exchanges are classified as trading securities included within *Financial instruments owned, at fair value* on the Consolidated Balance Sheets and recorded at fair value, with unrealized gains and losses recorded as a component of *Principal gains, net* on the Consolidated Income Statements. The fair value of exchange firm common stock not required in order to conduct business on the exchanges is determined from quoted market prices.

Exchange memberships that represent both (a) an ownership interest and the right to conduct business in the respective venues and are held for operating purposes, or (b) an ownership interest, which must be held by the Company to conduct business in the respective venues are accounted for as an ownership interest at cost with appropriate consideration for other-than-temporary impairment. The cost of exchange and clearing organization memberships that represent an ownership interest and are required in order to conduct business in the respective venues was \$5.5 million and \$5.6 million as of September 30, 2021 and 2020, respectively, compared to a fair value of \$6.8 million and \$6.7 million as of September 30, 2021 and 2020, respectively. Fair value was determined using quoted market prices and recent transactions.

Alternatively, exchange memberships, or seats, that only represent the right to conduct business on an exchange, but not an ownership interest in the exchange, are accounted for as intangible assets at cost with potential impairment determined under Accounting Standards Codification 350-30- *Intangibles - Goodwill and Other*. The cost of exchange memberships required in order to conduct business on the exchange, but not representing an ownership interest in the exchange, was \$6.0 million and \$5.8 million as of September 30, 2021 and 2020, respectively. As of and during the year ended September 30, 2021, there were no indicators of impairment that would suggest that the carrying value of exchange memberships that don't represent an ownership interest are impaired, primarily based upon projections of future cash flows and earnings attributable to access these respective venues.

#### **Product Financing Arrangements**

In the normal course of operations, the Company executes notes receivable under repurchase agreements with clients whereby the clients sell certain commodity inventory or other investments to the Company and agree to repurchase the commodity inventory or investment at a future date at a fixed price. These transactions are short-term in nature, and in accordance with the guidance contained in ASC 860, Transfer and Servicing, are treated as secured borrowings rather than commodity inventory and purchases and sales in the Company's consolidated financial statements. These transactions are reflected as *Notes receivable, net* in the Consolidated Balance Sheets. Commodities or investments sold under repurchase agreements are reflected at the amount of cash received in connection with the transactions. The Company may be required to provide additional collateral based on the fair value of the underlying asset.

The Company also participates in commodity repurchase transactions that are accounted for as commodity inventory and purchases and sales of physical commodities as opposed to secured borrowings. The repurchase price under these arrangements

is not fixed at the time of execution and, therefore, does not meet all the criteria to be accounted for as product financing arrangements.

#### ***Lenders Under Loans***

Lenders under loans are accounted for at amortized cost, which approximates fair value due to variable rates of interest.

#### ***Senior Secured Borrowings***

Senior secured borrowings are accounted for at amortized cost, and are stated net of unamortized deferred financing costs and original issue discount.

#### ***Contingent Consideration***

The Company estimates and records acquisition date estimated fair value of contingent consideration as part of purchase price consideration for acquisitions. Additionally, each reporting period, the Company estimates changes in the fair value of contingent consideration, and any change in fair value is recognized in the Consolidated Income Statements. Estimating contingent consideration fair value incorporates assumptions regarding future operating results, discount rates, and probabilities assigned to various potential operating results scenarios.

#### ***Revenue Recognition***

The Company accounts for revenue earned from contracts with clients for services such as the execution, clearing, brokering, and custody of futures and options on futures contracts, OTC derivatives, and securities, investment management, and underwriting services under Topic 606. Revenues for these services are recognized when the performance obligations related to the underlying transaction are completed.

Only when goods or services are transferred to clients, are revenues are recognized in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are analyzed to determine whether the Company is the principal (i.e. reports revenue on a gross basis) or agent (i.e., reports revenues on a net basis) in the contract. Principal or agent designations depend primarily on the control an entity has over the good or service before control is transferred to a client. The indicators of which party exercises control include primary responsibility over performance obligations, inventory risk before the good or service is transferred, and discretion in establishing the price.

The revenue recognition model does not apply to revenues associated with dealing, or market-making, activities in financial instruments or contracts in the capacity of a principal, including derivative sales contracts which result in physical settlement and interest income.

Refer to Note 15 for further discussion of the Company's significant accounting policies related to revenue recognition.

#### ***Cost of Sales of Physical Commodities***

Cost of sales of physical commodities include finished commodity or raw material and processing costs along with operating costs relating to the receipt, storage and delivery of the physical commodities. Cost of sales of physical commodities also includes changes in the fair value of agricultural commodity inventories held for sale, and related forward purchase and sale commitments and exchange-traded futures and options contracts.

#### ***Interest Expense***

Interest expense is recognized on an accrual basis. Interest expense is incurred on outstanding balances on the Company's credit facilities. Interest expense is also incurred on fixed income securities sold, not yet purchased, that the Company holds in its market-marking businesses. Interest expense is also incurred from collateralized transactions, including securities loaned and securities sold under agreements to repurchase.

#### ***Transaction-Based Clearing Expenses***

Clearing fees and related expenses include primarily variable expenses for clearing and settlement services, including fees the Company pays to executing brokers, exchanges, clearing organizations and banks. These fees are based on transaction volume and recorded as expense on the trade date. Clearing fees are passed on to clients and are presented gross in the consolidated statements of income as the Company acts as a principal for these transactions.

#### ***Introducing Broker Commissions***

Introducing broker commissions include commissions paid to non-employee individuals or organizations that maintain relationships with clients and introduce them to the Company. Introducing brokers accept futures and options orders from those clients, while the Company directly provides all account, transaction and margining services to introducing brokers, including accepting money, securities and property from the clients. Introducing brokers bring clients to the Company's OTC business as well. Introducing broker commissions are determined monthly and settled regularly.

### **Compensation and Benefits**

Compensation and benefits consists primarily of salaries, incentive compensation, variable compensation, including commissions, related payroll taxes and employee benefits. The Company classifies employees as either risk management consultants / traders, operational or administrative personnel, which includes executive officers. Variable compensation paid to risk management consultants and traders generally represents a fixed percentage of revenues generated, and in some cases, revenues produced less direct costs and an overhead allocation. The Company accrues commission expense on a trade-date basis.

### **Share-Based Compensation**

The Company accounts for share-based compensation from option and restricted stock unit awards in accordance with the guidance in ASC 718-10, Compensation - Stock Compensation. The cost of employee services received in exchange for a share-based award is generally measured based on the grant-date fair value of the award. Share-based employee awards that require future service are amortized over the relevant service period. Forfeitures are accounted for as they occur in determining share-based employee compensation expense. For awards granted, compensation cost is recognized on a straight-line basis over the vesting period for the entire award.

### **Income Taxes**

Income tax expense includes U.S. federal, state and local and foreign income taxes. Certain items of income and expense are not reported in tax returns and financial statements in the same year. Accounting for income taxes aims to recognize the amount of taxes payable or refundable for the current year. The Company utilizes the asset and liability method to provide income taxes on all transactions recorded in the consolidated financial statements. This method requires that income taxes reflect the expected future tax consequences of temporary differences between the carrying amounts of assets or liabilities for book and tax purposes. Accordingly, a deferred tax asset or liability for each temporary difference is determined based on the tax rates that the Company expects to be in effect when the underlying items of income and expense are realized. Judgment is required in assessing the future tax consequences of events that have been recognized in the Company's financial statements or tax returns, including the repatriation of undistributed earnings of foreign subsidiaries. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some or all of the deferred tax assets will not be realized. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based upon the technical merits of the position. The tax benefit recognized in the consolidated financial statements from such a position is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. See Note 20 for further information on the Company's income taxes.

### **Additional Paid-In Capital**

The Company's additional paid-in capital ("APIC") consists of stockholder contributions that are in excess of par value of common stock, also including amounts related to stock options exercises and share-based compensation.

### **Comprehensive Income**

Comprehensive income consists of net income and other gains and losses affecting stockholders' equity that, under U.S. GAAP, are excluded from net income. Other comprehensive income (loss) includes net actuarial gains and losses from defined benefit pension plans and gains and losses on foreign currency translations.

### **Preferred Stock**

The Company is authorized to issue one million shares of preferred stock, par value of \$0.01 per share, in one or more classes or series to be established by the Company's board of directors. As of September 30, 2021 and 2020, no preferred shares were outstanding and the Company's board of directors had not established any class or series of shares.

### **Accounting Standards Adopted**

In June 2016, the Financial Accounting Standards Board ("FASB") issued ASU No. 2016-13, "Measurement of Credit Losses on Financial Instruments", which significantly changes the ways entities recognize credit losses on financial instruments. The guidance is effective for public business entities for annual and interim periods in fiscal years beginning after December 15, 2019. In April 2019, the FASB issued ASU No. 2019-04, "Codification Improvements to Topic 326, Financial Instruments - Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments", which among other things, included several amendments to ASU No. 2016-13, changing how a company considers expected recoveries and contractual extensions or renewal options when estimating expected credit losses.

The guidance replaces the previous incurred loss impairment guidance and introduces a new credit reserving model known as the Current Expected Credit Loss ("CECL") model, which is based on expected losses over the life of an asset, and applies to financial assets carried at amortized cost, held-to-maturity debt securities and off-balance sheet credit exposures. The allowance



must reflect management's estimate of credit losses over the life of the assets taking future economic changes into consideration.

The Company adopted this guidance on October 1, 2020, using the modified retrospective approach, which resulted in a recognized cumulative-effect adjustment of \$6.2 million, net of tax of \$2.0 million, to the opening balance of retained earnings - see Note 5 and Note 13. The adoption impact was attributable to an increase in allowance for credit losses related to the OptionSellers.com Inc. customers discussed in further detail within Note 13 of the consolidated financial statements. Results for reporting periods beginning after October 1, 2020 are presented using the CECL model, while prior period amounts continue to be reported in accordance with previously applicable U.S. GAAP.

#### *Current Expected Credit Losses*

Beginning October 1, 2020, the Company estimates its allowance for credit losses on financial assets measured at amortized cost based on expected credit losses over the life of the financial asset. In determining expected credit losses, the Company considers a number of factors including, but not limited to, historical collection experience, current and forecasted economic and business conditions, internal and external credit risk ratings, collateral terms, payment terms and aging of the financial asset.

The Company estimates expected credit losses primarily using a probability of default ("PD")/loss given default ("LGD") model ("PD/LGD model"), under which the expected credit loss is calculated as the product of PD, LGD and exposure at default.

Additionally, for collateralized transactions, the Company elects to measure expected credit losses using the fair value of collateral received where the borrower is required to, and reasonably expected to, replenish the amount of collateral securing the receivable as a result of changes in the fair value of such collateral.

#### **Note 2 – Earnings per Share**

The Company presents basic and diluted earnings per share ("EPS") using the two-class method which requires all outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends and therefore participate in undistributed earnings with common stockholders be included in computing earnings per share. Under the two-class method, net income is reduced by the amount of dividends declared in the period for each class of common stock and participating security. The remaining undistributed earnings are then allocated to common stock and participating securities, based on their respective rights to receive dividends. Restricted stock awards granted to certain employees and directors contain non-forfeitable rights to dividends at the same rate as common stock, and are considered participating securities. Basic EPS has been computed by dividing net income by the weighted-average number of common shares outstanding.

The following is a reconciliation of the numerator and denominator of the diluted net income per share computations for the periods presented below.

(in millions, except share amounts)	Year Ended September 30,		
	2021	2020	2019
<b>Numerator:</b>			
Net income	\$ 116.3	\$ 169.6	\$ 85.1
Less: Allocation to participating securities	(3.5)	(4.0)	(1.5)
Net income allocated to common stockholders	<u>\$ 112.8</u>	<u>\$ 165.6</u>	<u>\$ 83.6</u>
<b>Denominator:</b>			
Weighted average number of:			
Common shares outstanding	19,130,643	18,824,328	18,738,905
Dilutive potential common shares outstanding:			
Share-based awards	547,525	356,151	275,490
Diluted shares outstanding	<u>19,678,168</u>	<u>19,180,479</u>	<u>19,014,395</u>

The dilutive effect of share-based awards is reflected in diluted net income per share by application of the treasury stock method, which includes consideration of unamortized share-based compensation expense.

Options to purchase 298,786, 898,420 and 907,089 shares of common stock for the years ended September 30, 2021, 2020, and 2019, respectively, were excluded from the calculation of diluted earnings per share because they would have been anti-dilutive.

#### **Note 3 – Assets and Liabilities, at Fair Value**

Fair value is defined by U.S. GAAP as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between willing market participants on the measurement date.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company is required to develop a set of assumptions that reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The Company has designed independent price verification controls and periodically performs such controls to ensure the reasonableness of such values.

Financial and nonfinancial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A market is active if there are sufficient transactions on an ongoing basis to provide current pricing information for the asset or liability, pricing information is released publicly, and price quotations do not vary substantially either over time or among market makers. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

The guidance requires the Company to consider counterparty credit risk of all parties of outstanding derivative instruments that would be considered by a market participant in the transfer or settlement of such contracts (exit price). The Company's exposure to credit risk on derivative financial instruments relates to the portfolio of OTC derivative contracts as all exchange-traded contracts held can be settled on an active market with a credit guaranty from the respective exchange. The Company requires each counterparty to deposit margin collateral for all OTC instruments and is also required to deposit margin collateral with counterparties. The Company has assessed the nature of these deposits and used its discretion to adjust each based on the underlying credit considerations for the counterparty and determined that the collateral deposits minimize the exposure to counterparty credit risk in the evaluation of the fair value of OTC instruments as determined by a market participant.

In accordance with ASC 820, *Fair Value Measurement*, the Company groups its assets and liabilities measured at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 - Valuation is based upon unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities. Level 1 consists of financial assets and liabilities whose fair values are estimated using quoted market prices.

Level 2 - Valuation is based upon quoted prices for identical or similar assets or liabilities in markets that are less active, that is, markets in which there are few transactions for the asset or liability that are observable for substantially the full term. Included in Level 2 are those financial assets and liabilities for which fair values are estimated using models or other valuation methodologies. These models are primarily industry-standard models that consider various observable inputs, including time value, yield curve, volatility factors, observable current market and contractual prices for the underlying financial instruments, as well as other relevant economic measures.

Level 3 - Valuation is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity). Level 3 comprises financial assets and liabilities whose fair value is estimated based on internally developed models or methodologies utilizing significant inputs that are not readily observable from objective sources. Level 3 includes contingent liabilities that have been valued using an income approach based upon management developed discounted cash flow projections, which are an unobservable input. The Company had \$2.8 million and \$1.5 million of contingent liabilities classified within Level 3 of the fair value hierarchy as of September 30, 2021 and 2020, respectively. The Company had no Level 3 assets as of September 30, 2021 and 2020.

***Fair value of financial and nonfinancial assets and liabilities that are carried on the Consolidated Balance Sheets at fair value on a recurring basis***

Cash and cash equivalents reported at fair value on a recurring basis includes certificates of deposit and money market mutual funds, which are stated at cost plus accrued interest, which approximates fair value.

Cash, securities and other assets segregated under federal and other regulations reported at fair value on a recurring basis include the value of pledged investments, primarily U.S. Treasury obligations and commodities warehouse receipts.

Deposits with and receivables from broker-dealers, clearing organizations and counterparties and payable to clients and broker-dealers, clearing organizations and counterparties includes the fair value of pledged investments, primarily U.S. Treasury obligations and foreign government obligations. These balances also include the fair value of exchange-traded options on futures and OTC forwards, swaps, and options.

Financial instruments owned and sold, not yet purchased include the fair value of equity securities, which includes common, preferred, and foreign ordinary shares, American Depository Receipts (“ADRs”), Global Depository Receipts (“GDRs”), and exchange-traded funds (“ETFs”), corporate and municipal bonds, U.S. Treasury obligations, U.S. government agency obligations, foreign government obligations, agency mortgage-backed obligations, asset-backed obligations, derivative financial instruments, commodities warehouse receipts, exchange firm common stock, and investments in managed funds. The fair value of exchange firm common stock is determined by quoted market prices.

Cash equivalents, debt and equity securities, commodities warehouse receipts, physical commodities inventory, derivative financial instruments and contingent liabilities are carried at fair value, on a recurring basis, and are classified and disclosed into three levels in the fair value hierarchy.

The following section describes the valuation methodologies used by the Company to measure classes of financial instruments at fair value and specifies the level within the fair value hierarchy where various financial instruments are classified.

The Company uses quoted prices in active markets, where available, and classifies such instruments within Level 1 of the fair value hierarchy. Examples include U.S. Treasury obligations, foreign government obligations, commodities warehouse receipts, certain equity securities traded in active markets, physical precious metals inventory held by a regulated broker-dealer subsidiary, exchange firm common stock, investments in managed funds, as well as options on futures contracts traded on national exchanges. The fair value of exchange firm common stock is determined by recent sale transactions and is included within Level 1.

When instruments are traded in secondary markets and observable prices are not available for substantially the full term, the Company generally relies on internal valuation techniques or prices obtained from third-party pricing services or brokers or a combination thereof, and accordingly, classifies these instruments as Level 2. Examples include corporate and municipal bonds, U.S. government agency obligations, agency-mortgage backed obligations, asset-backed obligations, certain equity securities traded in less active markets, and OTC derivative contracts, which include purchase and sale commitments related to the Company’s agricultural and energy commodities.

Certain derivatives without a quoted price in an active market and derivatives executed OTC are valued using internal valuation techniques, including pricing models which utilize significant inputs observable to market participants. The valuation techniques and inputs depend on the type of derivative and the nature of the underlying instrument. The key inputs depend upon the type of derivative and the nature of the underlying instrument and include interest yield curves, foreign exchange rates, commodity prices, volatilities and correlation. These derivative instruments are included within Level 2 of the fair value hierarchy.

Physical commodities inventory includes precious metals that are a part of the trading activities of a regulated broker-dealer subsidiary that records these assets at fair value using exchange-quoted prices. Physical commodities inventory also includes agricultural commodities that are a part of the trading activities of a non-broker dealer subsidiary and are recorded at net realizable value using exchange-quoted prices. The fair value of precious metals physical commodities inventory is based upon unadjusted exchange-quoted prices and is, therefore, classified within Level 1 of the fair value hierarchy. The fair value of agricultural physical commodities inventory and the related OTC firm sale and purchase commitments are generally based upon exchange-quoted prices, adjusted for basis or differences in local markets, broker or dealer quotations or market transactions in either listed or OTC markets. Exchange-quoted prices are adjusted for location and quality because the exchange-quoted prices for agricultural and energy related products represent contracts that have standardized terms for commodity, quantity, future delivery period, delivery location, and commodity quality or grade. The basis or local market adjustments are observable inputs or have an insignificant impact on the measurement of fair value and, therefore, the agricultural physical commodities inventory as well as the related OTC forward firm sale and purchase commitments have been included within Level 2 of the fair value hierarchy.

With the exception of certain derivative instruments where the valuation approach is disclosed above, financial instruments owned and sold are primarily valued using third-party pricing sources. Third-party pricing vendors compile prices from various sources and often apply matrix pricing for similar securities when market-observable transactions for the instruments are not observable for substantially the full term. The Company reviews the pricing methodologies used by third-party pricing vendors in order to evaluate the fair value hierarchy classification of vendor-priced financial instruments and the accuracy of vendor pricing, which typically involves the comparison of primary vendor prices to internal trader prices or secondary vendor prices. When evaluating the propriety of vendor-priced financial instruments using secondary prices, considerations include the range and quality of vendor prices, level of observable transactions for identical and similar instruments, and judgments based upon knowledge of a particular market and asset class. If a primary vendor price does not represent fair value, justification for using a secondary price, including source data used to make the determination, is subject to review and approval by authorized personnel prior to using a secondary price. Financial instruments owned and sold that are valued using third-party pricing vendors are included within either Level 1 or Level 2 of the fair value hierarchy based upon the observability of the inputs used and the level of activity in the market.

The fair value estimates presented herein are based on pertinent information available to management as of September 30, 2021 and 2020. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

The following tables set forth the Company's financial and nonfinancial assets and liabilities accounted for at fair value, on a recurring basis, as of September 30, 2021 and 2020 by level in the fair value hierarchy. All fair value measurements were performed on a recurring basis as of September 30, 2021 and 2020.

(in millions)	September 30, 2021				
	Level 1	Level 2	Level 3	Netting (1)	Total
<b>Assets:</b>					
Certificates of deposit	\$ 7.9	\$ —	\$ —	\$ —	\$ 7.9
Money market mutual funds	12.9	—	—	—	12.9
<b>Cash and cash equivalents</b>	<b>20.8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20.8</b>
Commodities warehouse receipts	13.9	—	—	—	13.9
U.S. Treasury obligations	0.2	—	—	—	0.2
<b>Securities and other assets segregated under federal and other regulations</b>	<b>14.1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>14.1</b>
U.S. Treasury obligations	798.5	—	—	—	798.5
To be announced ("TBA") and forward settling securities	—	59.1	—	(40.1)	19.0
Foreign government obligations	12.2	—	—	—	12.2
Derivatives	4,475.8	167.4	—	(4,402.3)	240.9
<b>Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net</b>	<b>5,286.5</b>	<b>226.5</b>	<b>—</b>	<b>(4,442.4)</b>	<b>1,070.6</b>
<b>Receivables from clients, net - Derivatives</b>	<b>—</b>	<b>413.7</b>	<b>—</b>	<b>(411.1)</b>	<b>2.6</b>
Equity securities	512.4	14.6	—	—	527.0
Corporate and municipal bonds	—	150.8	—	—	150.8
U.S. Treasury obligations	433.1	—	—	—	433.1
U.S. government agency obligations	—	327.6	—	—	327.6
Agency mortgage-backed obligations	—	2,599.8	—	—	2,599.8
Asset-backed obligations	—	110.4	—	—	110.4
Derivatives	0.6	644.1	—	(500.4)	144.3
Commodities leases	—	18.1	—	—	18.1
Commodities warehouse receipts	21.4	—	—	—	21.4
Exchange firm common stock	11.6	—	—	—	11.6
Mutual funds and other	10.5	—	—	—	10.5
<b>Financial instruments owned</b>	<b>989.6</b>	<b>3,865.4</b>	<b>—</b>	<b>(500.4)</b>	<b>4,354.6</b>
<b>Physical commodities inventory</b>	<b>111.2</b>	<b>248.7</b>	<b>—</b>	<b>—</b>	<b>359.9</b>
<b>Total assets at fair value</b>	<b>\$ 6,422.2</b>	<b>\$ 4,754.3</b>	<b>\$ —</b>	<b>\$ (5,353.9)</b>	<b>\$ 5,822.6</b>
<b>Liabilities:</b>					
<b>Accounts payable and other accrued liabilities - contingent liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 2.8</b>	<b>\$ —</b>	<b>\$ 2.8</b>
<b>Payables to clients - Derivatives</b>	<b>4,413.8</b>	<b>156.1</b>	<b>—</b>	<b>(4,278.4)</b>	<b>291.5</b>
TBA and forward settling securities	—	52.2	—	(39.5)	12.7
Derivatives	63.1	239.4	—	(302.5)	—
<b>Payable to broker-dealers, clearing organizations and counterparties</b>	<b>63.1</b>	<b>291.6</b>	<b>—</b>	<b>(342.0)</b>	<b>12.7</b>
Equity securities	429.9	6.2	—	—	436.1
Corporate and municipal bonds	—	51.1	—	—	51.1
U.S. Treasury obligations	851.2	—	—	—	851.2
Agency mortgage-backed obligations	—	63.4	—	—	63.4
Derivatives	3.2	700.3	—	(335.0)	368.5
Commodities leases	—	0.9	—	—	0.9
<b>Financial instruments sold, not yet purchased</b>	<b>1,284.3</b>	<b>821.9</b>	<b>—</b>	<b>(335.0)</b>	<b>1,771.2</b>
<b>Total liabilities at fair value</b>	<b>\$ 5,761.2</b>	<b>\$ 1,269.6</b>	<b>\$ 2.8</b>	<b>\$ (4,955.4)</b>	<b>\$ 2,078.2</b>

(1) Represents cash collateral and the impact of netting across the levels of the fair value hierarchy. Netting among positions classified within the same level are included in that level.

(in millions)	September 30, 2020				
	Level 1	Level 2	Level 3	Netting (1)	Total
<b>Assets:</b>					
Certificates of deposit	\$ 3.2	\$ —	\$ —	\$ —	\$ 3.2
Money market mutual funds	12.8	—	—	—	12.8
<b>Cash and cash equivalents</b>	<b>16.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>16.0</b>
Commodities warehouse receipts	2.4	—	—	—	2.4
U.S. Treasury obligations	0.2	—	—	—	0.2
<b>Securities and other assets segregated under federal and other regulations</b>	<b>2.6</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2.6</b>
U.S. Treasury obligations	1,941.3	—	—	—	1,941.3
TBA and forward settling securities	—	31.0	—	(11.8)	19.2
Foreign government obligations	8.0	—	—	—	8.0
Derivatives	1,949.0	395.8	—	(2,537.5)	(192.7)
<b>Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net</b>	<b>3,898.3</b>	<b>426.8</b>	<b>—</b>	<b>(2,549.3)</b>	<b>1,775.8</b>
<b>Receivables from clients, net - Derivatives</b>	<b>—</b>	<b>235.6</b>	<b>—</b>	<b>(234.1)</b>	<b>1.5</b>
Equity securities	254.9	9.4	—	—	264.3
Corporate and municipal bonds	—	66.9	—	—	66.9
U.S. Treasury obligations	419.9	—	—	—	419.9
U.S. government agency obligations	—	293.4	—	—	293.4
Foreign government obligations	2.5	—	—	—	2.5
Agency mortgage-backed obligations	—	1,384.6	—	—	1,384.6
Asset-backed obligations	—	33.0	—	—	33.0
Derivatives	0.7	652.3	—	(535.6)	117.4
Commodities leases	—	24.9	—	—	24.9
Commodities warehouse receipts	103.2	—	—	—	103.2
Exchange firm common stock	10.1	—	—	—	10.1
Mutual funds and other	7.5	—	—	—	7.5
<b>Financial instruments owned</b>	<b>798.8</b>	<b>2,464.5</b>	<b>—</b>	<b>(535.6)</b>	<b>2,727.7</b>
<b>Physical commodities inventory</b>	<b>26.8</b>	<b>188.9</b>	<b>—</b>	<b>—</b>	<b>215.7</b>
<b>Total assets at fair value</b>	<b>\$ 4,742.5</b>	<b>\$ 3,315.8</b>	<b>\$ —</b>	<b>\$ (3,319.0)</b>	<b>\$ 4,739.3</b>
<b>Liabilities:</b>					
<b>Accounts payable and other accrued liabilities - contingent liabilities</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1.5</b>	<b>\$ —</b>	<b>\$ 1.5</b>
<b>Payables to clients - Derivatives</b>	<b>2,000.8</b>	<b>176.4</b>	<b>—</b>	<b>(2,399.9)</b>	<b>(222.7)</b>
TBA and forward settling securities	—	22.0	—	(11.8)	10.2
Derivatives	—	306.7	—	(302.2)	4.5
<b>Payable to broker-dealers, clearing organizations and counterparties</b>	<b>—</b>	<b>328.7</b>	<b>—</b>	<b>(314.0)</b>	<b>14.7</b>
Equity securities	218.0	14.9	—	—	232.9
Corporate and municipal bonds	—	22.5	—	—	22.5
U.S. Treasury obligations	247.5	—	—	—	247.5
U.S. government agency obligations	—	0.1	—	—	0.1
Agency mortgage-backed obligations	—	5.1	—	—	5.1
Derivatives	—	563.6	—	(386.8)	176.8
Commodities leases	—	1.1	—	—	1.1
<b>Financial instruments sold, not yet purchased</b>	<b>465.5</b>	<b>607.3</b>	<b>—</b>	<b>(386.8)</b>	<b>686.0</b>
<b>Total liabilities at fair value</b>	<b>\$ 2,466.3</b>	<b>\$ 1,112.4</b>	<b>\$ 1.5</b>	<b>\$ (3,100.7)</b>	<b>\$ 479.5</b>

(1) Represents cash collateral and the impact of netting across the levels of the fair value hierarchy. Netting among positions classified within the same level are included in that level.

Realized and unrealized gains and losses are included in *Principal gains, net*, *Interest income*, and *Cost of sales of physical commodities* in the Consolidated Income Statements.

The fair value of an exchange-traded options on futures contract is equal to the unrealized gain or loss on the contract determined by marking the contract to the current settlement price for a like contract on the valuation date of the contract. A settlement price may not be used if the market makes a limit move with respect to a particular options on futures contract or if

the contract's underlying experiences significant price fluctuations after the determination of the settlement price. When a settlement price cannot be used, options on futures contracts will be valued at their fair value as determined in good faith pursuant to procedures adopted by management of the Company.

The Company has classified equity investments in exchange firms' common stock not pledged for clearing purposes as trading securities. The investments are recorded at fair value, with unrealized gains and losses recorded, net of taxes, included in earnings. As of September 30, 2021, the cost and fair value of the equity investments in exchange firms is \$3.7 million and \$11.6 million, respectively. As of September 30, 2020, the cost and fair value of the equity investments in exchange firms was \$3.7 million and \$10.1 million, respectively.

### ***Information on Level 3 Financial Liabilities***

The acquisition of Fillmore Advisors, LLC, as further discussed in Note 21, included a contingent consideration arrangement as a component of the purchase price. Pursuant to the contingent consideration agreement, the Company was required to make additional future cash payments based on certain financial performance measures of the acquired business. As of September 30, 2021, the Company had fully satisfied the liability for the contingent consideration. During the years ended September 30, 2021 and 2020, the Company recorded cash settlements against the liability of \$2.6 million and \$0.9 million, respectively, partially offset by remeasurement losses of \$1.1 million and \$0.6 million, respectively, included in *Other* expenses on the Consolidated Income Statements for the years ended September 30, 2021 and 2020, respectively.

The acquisition of Chasing Returns Limited, as further discussed in Note 21, included a contingent consideration arrangement as a component of the purchase price. Pursuant to the contingent consideration agreement, the Company is required to make additional future cash payments based on certain implementation milestones. As of September 30, 2021, the Company has classified its liability for the contingent consideration within Level 3 of the fair value hierarchy because the fair value was determined using significant unobservable inputs, which included projected cash flows.

### ***Additional Disclosures about the Fair Value of Financial Instruments that are not carried on the Consolidated Balance Sheets at Fair Value***

Many, but not all, of the financial instruments that the Company holds are recorded at fair value in the Consolidated Balance Sheets. The following represents financial instruments in which the ending balances at September 30, 2021 and 2020 was not carried at fair value in accordance with U.S. GAAP on our Consolidated Balance Sheets:

***Short-term financial instruments:*** The carrying value of short-term financial instruments, including cash and cash equivalents, cash segregated under federal and other regulations, securities purchased under agreements to re-sell and securities sold under agreements to re-purchase, and securities borrowed and loaned are recorded at amounts that approximate the fair value of these instruments due to their short-term nature and level of collateralization. These financial instruments generally expose us to limited credit risk and have no stated maturities or have short-term maturities and carry interest rates that approximate market rates. Under the fair value hierarchy, cash and cash equivalents and cash segregated under federal and other regulations are classified as Level 1. Securities purchased under agreements to re-sell and securities sold under agreements to re-purchase, and securities borrowed and loaned are classified as Level 2 under the fair value hierarchy as they are generally overnight, or short-term in nature, and are collateralized by common stock, U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations.

***Receivables and other assets:*** Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, receivables from clients, net, notes receivables, net and certain other assets are recorded at amounts that approximate fair value due to their short-term nature and are classified as Level 2 under the fair value hierarchy.

***Payables:*** Payables to clients and payables to brokers-dealers, clearing organizations, and counterparties are recorded at amounts that approximate fair value due to their short-term nature. They are classified as Level 2 under the fair value hierarchy.

***Lender under loans:*** Payables to lenders under loans carry variable rates of interest and thus approximate fair value and are classified as Level 2 under the fair value hierarchy.

***Senior secured borrowings, net:*** Senior secured borrowings, net includes a senior secured term loan with a carrying value of \$170.1 million as of September 30, 2021, which carries a variable rate of interest and thus approximates fair value and is classified as Level 2 under the fair value hierarchy. Senior secured borrowings, net also includes the Company's 8.625% Senior Secured Notes due 2025 (the "Senior Secured Notes"), as further described in Note 11 with a carrying value of \$336.9 million as of September 30, 2021. The carrying value of the Senior Secured Notes represent their principal amounts net of unamortized deferred financing costs and original issue discount. As of September 30, 2021, the Senior Secured Notes had a fair value of \$374.7 million and are classified as Level 2 under the fair value hierarchy.

**Note 4 – Financial Instruments with Off-Balance Sheet Risk and Concentrations of Credit Risk**

The Company is party to certain financial instruments with off-balance sheet risk in the normal course of its business. The Company has sold financial instruments that it does not currently own and will therefore be obliged to purchase such financial instruments at a future date. The Company has recorded these obligations in the consolidated financial statements as of September 30, 2021 at the fair values of the related financial instruments. The Company will incur losses if the fair value of the underlying financial instruments increases subsequent to September 30, 2021. The total of \$1,771.2 million as of September 30, 2021 includes \$368.5 million for derivative contracts, which represent a liability to the Company based on their fair values as of September 30, 2021.

**Derivatives**

The Company utilizes derivative products in its trading capacity as a dealer in order to satisfy client needs and mitigate risk. The Company manages risks from both derivatives and non-derivative cash instruments on a consolidated basis. The risks of derivatives should not be viewed in isolation, but in aggregate with the Company's other trading activities. The Company's derivative positions are included in the Consolidating Balance Sheets in *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties; Receivables from clients, net; Financial instruments owned, net; Financial instruments sold, not yet purchased, at fair value; Payables to clients; and Payables to broker-dealers, clearing organizations and counterparties.*

Listed below are the fair values of the Company's derivative assets and liabilities as of September 30, 2021 and 2020. Assets represent net unrealized gains and liabilities represent net unrealized losses.

(in millions)	September 30, 2021		September 30, 2020	
	Assets <sup>(1)</sup>	Liabilities <sup>(1)</sup>	Assets <sup>(1)</sup>	Liabilities <sup>(1)</sup>
<b>Derivative contracts not accounted for as hedges:</b>				
Exchange-traded commodity derivatives	\$ 3,904.1	\$ 3,904.7	\$ 1,637.2	\$ 1,747.3
OTC commodity derivatives	803.4	761.3	553.9	433.2
Exchange-traded foreign exchange derivatives	119.9	119.9	9.3	13.0
OTC foreign exchange derivatives	216.9	185.5	520.8	461.5
Exchange-traded interest rate derivatives	245.9	249.0	271.1	200.7
OTC interest rate derivatives	56.4	54.9	96.0	96.6
Exchange-traded equity index derivatives	206.5	206.5	32.1	39.8
OTC equity and indices derivatives	148.5	94.1	113.0	55.4
TBA and forward settling securities	59.1	52.2	31.0	22.0
Gross fair value of derivative contracts	5,760.7	5,628.1	3,264.4	3,069.5
Impact of netting and collateral	\$ (5,353.9)	\$ (4,955.4)	\$ (3,319.0)	\$ (3,100.7)
Total fair value included in <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ 259.9		\$ (173.5)	
Total fair value included in <i>Receivables from clients, net</i>	2.6		1.5	
Total fair value included in <i>Financial instruments owned, at fair value</i>	144.3		117.4	
Total fair value included in <i>Payables to clients</i>		\$ 291.5		\$ (222.7)
Total fair value included in <i>Payables to broker-dealers, clearing organizations and counterparties</i>		12.7		14.7
Fair value included in <i>Financial instruments sold, not yet purchased, at fair value</i>		368.5		176.8

(1) As of September 30, 2021 and 2020, the Company's derivative contract volume for open positions was approximately 11.1 million and 7.9 million contracts, respectively.

The Company's derivative contracts are principally held in its Commercial and Retail segments. The Company assists its Commercial segment clients in protecting the value of their future production by entering into option or forward agreements with them on an OTC basis. The Company also provides its Commercial segment clients with exchange products, including combinations of buying and selling puts and calls. In its Retail segment, the Company provides its retail clients with access to spot foreign exchange, precious metals trading, as well as contracts for a difference ("CFDs") and spread bets, where permitted. The Company mitigates its risk by generally offsetting the client's transaction simultaneously with one of the Company's trading counterparties or will offset that transaction with a similar but not identical position on the exchange. The risk mitigation of these offsetting trades is not within the documented hedging designation requirements of the Derivatives and

Hedging Topic of the ASC. These derivative contracts are traded along with cash transactions because of the integrated nature of the markets for these products. The Company manages the risks associated with derivatives on an aggregate basis along with the risks associated with its proprietary trading and market-making activities in cash instruments as part of its firm-wide risk management policies. In particular, the risks related to derivative positions may be partially offset by inventory, other derivatives, or cash collateral paid or received.

The Company transacts in derivative instruments, which consist of futures, mortgage-backed TBA securities and forward settling transactions, that are used to manage risk exposures in the Company's fixed income portfolio. The fair value of these transactions is recorded *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net* receivables from and *Payables to broker-dealers, clearing organizations, and counterparties*. Realized and unrealized gains and losses on securities and derivative transactions are reflected in *Principal gains, net*. The Company enters into TBA securities transactions for the sole purpose of managing risk associated with the purchase of mortgage pass-through securities.

As of September 30, 2021 and 2020, TBA and forward settling securities recorded within deposits with and receivables from and payables to broker-dealers, clearing organizations, and counterparties are summarized as follows (in millions):

(in millions)	September 30, 2021		September 30, 2020	
	Gain/(Loss)	Notional Amounts	Gain/(Loss)	Notional Amounts
Unrealized gain on TBA securities purchased within <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ 1.6	\$ 1,453.4	\$ 10.8	\$ 5,389.3
Unrealized loss on TBA securities purchased within <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ —	\$ —	\$ (1.7)	\$ 2,647.7
Unrealized loss on TBA securities purchased within <i>Payables to broker-dealers, clearing organizations, and counterparties</i>	\$ (37.6)	\$ 7,024.2	\$ —	\$ —
Unrealized gain on TBA securities sold within <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ 43.0	\$ (8,391.4)	\$ —	\$ —
Unrealized gain on TBA securities sold within <i>Payables to broker-dealers, clearing organizations, and counterparties</i>	\$ —	\$ —	\$ 2.8	\$ (2,978.7)
Unrealized loss on TBA securities sold within <i>Payables to broker-dealers, clearing organizations, and counterparties</i>	\$ (2.7)	\$ (2,430.7)	\$ (13.0)	\$ (6,549.4)
Unrealized gain on forward settling securities purchased within <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ 0.3	\$ 214.5	\$ —	\$ —
Unrealized loss on forward settling securities purchased within <i>Payables to broker-dealers, clearing organizations, and counterparties</i>	\$ (11.5)	\$ 2,580.7	\$ —	\$ —
Unrealized gain on forward settling securities sold within <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ 14.1	\$ (1,867.4)	\$ 17.4	\$ (1,946.0)
Unrealized loss on forward settling securities sold within <i>Payables to broker-dealers, clearing organizations, and counterparties</i>	\$ (0.4)	\$ (133.1)	\$ —	\$ —
Unrealized loss on forward settling securities purchased within <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ —	\$ —	\$ (7.3)	\$ 2,447.10

The notional amounts of these instruments reflect the extent of the Company's involvement in TBA and forward settling securities and do not represent counterparty exposure.

The following table sets forth the Company's net gains (losses) related to derivative financial instruments for the periods indicated, in accordance with the Derivatives and Hedging Topic of the ASC. The net gains (losses) set forth below are included in *Principal gains, net* and *Cost of sales of physical commodities* in the Consolidated Income Statements.

(in millions)	Year Ended September 30,		
	2021	2020	2019
Commodities	\$ 207.8	\$ 197.3	\$ 100.8
Foreign exchange	116.3	38.2	8.1
Interest rate, equities, and indices	80.8	20.4	(2.6)
TBA and forward settling securities	(6.3)	(49.7)	(35.3)
Net gains from derivative contracts	\$ 398.6	\$ 206.2	\$ 71.0



### **Credit Risk**

In the normal course of business, the Company purchases and sells financial instruments, commodities and foreign currencies as either principal or agent on behalf of its clients. If either the client or counterparty fails to perform, the Company may be required to discharge the obligations of the nonperforming party. In such circumstances, the Company may sustain a loss if the fair value of the financial instrument or foreign currency is different from the contract value of the transaction.

The majority of the Company's transactions and, consequently, the concentration of its credit exposure are with commodity exchanges, clients, broker-dealers and other financial institutions. These activities involve both collateralized and uncollateralized arrangements and may result in credit exposure in the event that a counterparty fails to meet its contractual obligations. The Company's exposure to credit risk can be directly impacted by volatile financial markets, which may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit limits based upon a review of counterparties financial condition and credit ratings. The Company monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines. The Company requests changes in collateral levels as appropriate.

The Company is a party to financial instruments in the normal course of its business through client and proprietary trading accounts in exchange-traded and OTC derivative instruments. These instruments are primarily the execution of orders for commodity futures, options on futures and forward foreign currency contracts on behalf of its clients, substantially all of these transactions occur on a margin basis. Such transactions may expose the Company to significant credit risk in the event margin requirements are not sufficient to fully cover losses which clients may incur. The Company controls the risks associated with these transactions by requiring clients to maintain margin deposits in compliance with individual exchange regulations and internal guidelines. The Company monitors required margin levels daily and, therefore, may require clients to deposit additional collateral or reduce positions when necessary. The Company also establishes client credit limits, which are monitored daily. The Company evaluates each client's creditworthiness on a case by case basis. Clearing, financing, and settlement activities may require the Company to maintain funds with or pledge securities as collateral with other financial institutions. Generally, these exposures to both clients and counterparties are subject to master netting, or client agreements, which reduce the exposure to the Company by permitting receivables and payables with such clients to be offset in the event of a client default. Management believes that the margin deposits held as of September 30, 2021 and 2020 were adequate to minimize the risk of material loss that could be created by positions held at that time. Additionally, the Company monitors collateral fair value on a daily basis and adjusts collateral levels in the event of excess market exposure.

Derivative financial instruments involve varying degrees of off-balance sheet market risk whereby changes in the fair values of underlying financial instruments may result in changes in the fair value of the financial instruments in excess of the amounts reflected in the Consolidated Balance Sheets. Exposure to market risk is influenced by a number of factors, including the relationships between the financial instruments and the Company's positions, as well as the volatility and liquidity in the markets in which the financial instruments are traded. The principal risk components of financial instruments include, among other things, interest rate volatility, the duration of the underlying instruments and changes in commodity pricing and foreign exchange rates. The Company attempts to manage its exposure to market risk through various techniques. Aggregate market limits have been established and market risk measures are routinely monitored against these limits.

### **Note 5 – Allowance for Doubtful Accounts**

Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net, receivables from clients, net, and notes receivable, net include an allowance for doubtful accounts, which reflects the Company's best estimate of probable losses inherent in the accounts. In determining expected credit losses and establishing its allowance for doubtful accounts, the Company considers a number of factors including, but not limited to, historical collection experience, current and forecasted economic and business conditions, internal and external credit risk ratings, collateral terms, payment terms and aging of the financial asset, as well as specific-identification in certain circumstances. The Company continually reviews its allowance for doubtful accounts.

The allowance for doubtful accounts related to deposits with and receivables from broker-dealers, clearing organizations, and counterparties was \$1.3 million as of September 30, 2021 and 2020. The allowance for doubtful accounts related to receivables from clients was \$38.5 million and \$25.8 million as of September 30, 2021 and 2020, respectively. The Company had no allowance for doubtful accounts related to notes receivable as of September 30, 2021 and 2020.

During the year ended September 30, 2021, the Company charged off \$5.9 million of receivables against the allowance for doubtful accounts. During the year ended September 30, 2020, the Company charged off \$35.6 million of receivables against the allowance for doubtful accounts related to the physical coal business, which the Company exited in the year ended September 30, 2018.

During the year ended September 30, 2021, the Company recorded bad debt expense of \$10.4 million. The bad debt expense was primarily related to \$8.5 million of client OTC derivative account deficits in the Commercial segment, \$0.6 million of client exchange-traded futures and options on futures account deficits in the Institutional segment, \$1.1 million of OTC derivative client account deficits in the Retail segment, and \$0.2 million in the Global Payments segment. \$4.6 million of the bad debt within the Commercial segment related to a particular energy product in the Company's physical energy commodity business.

During the year ended September 30, 2020, the Company recorded bad debt expense, net of recoveries, of \$13.0 million. The bad debt expense during the year ended September 30, 2020 primarily related to \$3.5 million of client OTC derivative account deficits in the Commercial segment, \$5.4 million of client exchange-traded futures and options on futures account deficits in the Institutional segment, and \$0.6 million of OTC derivative client account deficits in the Retail segment. The Company also incurred bad debt expense of \$3.2 million within the Commercial segment related to receivables in the Company's physical energy commodity business.

During the year ended September 30, 2019, the Company recorded bad debt expense, net of recoveries, of \$2.5 million, including a net increase in provision for bad debts of \$2.6 million, direct write-offs of \$0.3 million, and direct recoveries of \$0.4 million. The increase in provision for bad debts during the year ended September 30, 2019 primarily related to \$2.7 million of client OTC derivative account deficits in the Commercial segment, and \$1.4 million in the Institutional segment, partially offset by client recoveries in the Commercial segment. Additionally, during the year ended September 30, 2019, the Company recorded recoveries on bad debt on physical coal of \$12.4 million, reducing the allowance for doubtful accounts related to deposits with and receivables from broker-dealers, clearing organizations, and counterparties. See additional information in Note 19.

Activity in the allowance for doubtful accounts for the years ended September 30, 2021, 2020, and 2019 was as follows:

(in millions)	2021	2020	2019
Balance, beginning of year	\$ 27.1	\$ 48.6	\$ 58.2
ASU 2016-13 cumulative transition adjustment	8.2	—	—
Adjusted balance, beginning of year	35.3	48.6	58.2
Provision for (recovery of) bad debts	10.4	13.0	(9.8)
Allowance charge-offs	(5.9)	(35.6)	(1.3)
Other <sup>(1)</sup>	—	1.1	1.5
Balance, end of year	<u>\$ 39.8</u>	<u>\$ 27.1</u>	<u>\$ 48.6</u>

<sup>(1)</sup> Allowance increase is related to a recoverable amount due from an affiliated party and recorded in *Other assets* on the Consolidated Balance Sheets.

## Note 6 – Physical Commodities Inventory

The Company's inventories consist of finished physical commodities as shown below.

(in millions)	September 30,	
	2021	2020
Physical Ag & Energy <sup>(1)</sup>	\$ 248.6	\$ 201.5
Precious metals - held by broker-dealer subsidiary	111.2	14.2
Precious metals - held by non-broker-dealer subsidiaries	87.7	65.4
Physical commodities inventory	<u>\$ 447.5</u>	<u>\$ 281.1</u>

<sup>(1)</sup> Physical Ag & Energy consists of agricultural commodity inventories, including corn, soybeans, wheat, dried distillers grain, canola, sorghum, coffee, cocoa, cotton, and others. Agricultural inventories have reliable, readily determinable and realizable market prices, have relatively insignificant costs of disposal and are available for immediate delivery. Physical Ag & Energy also includes energy related inventories, including primarily propane, gasoline, and kerosene. The Company records changes to these values in *Cost of sales of physical commodities* on the Consolidated Income Statements.

The Company has recorded lower of cost or net realizable value adjustments for certain precious metals and energies inventory of \$3.5 million and \$0.7 million as of September 30, 2021 and 2020, respectively. The adjustments are included in *Cost of sales of physical commodities* in the Consolidated Income Statements.

In the ordinary course of business, the Company holds commodities inventory in third-party licensed grain facilities. As of September 30, 2021, the Company held title in the form of warehouse receipts to approximately 2.6 million bushels of soybeans, valued at \$31.2 million, in multiple facilities owned by one third-party operator. The amount of soybeans held at these third-party grain facilities increased to 2.8 million bushels on October 6, 2021 pursuant to the satisfaction of a

\$2.5 million repurchase commitment. The Company's ownership interest in the soybeans held at these third-party grain facilities is represented by warehouse receipts issued by these facilities under the U.S. Warehouse Act, which is a program administered by the USDA. On September 29, 2021, the above-mentioned third-party operator filed a petition for Chapter 11 bankruptcy, and a Chief Restructuring Officer was assigned by the court to assist in administering the allocation of the grain on hand and proceeds from the sale of processed soybean products. As a result of these bankruptcy proceedings, in the event the Company does not receive soybeans or proceeds from soybeans commensurate with the 2.8 million bushels of soybean inventory held at October 6, 2021, management believes that it is probable that the Company has adequate insurance coverage to cover potential shortfalls. Therefore, the Company has not recognized any estimated losses associated with this matter in its September 30, 2021 consolidated financial statements.

During the year ended September 30, 2020, the Company recorded lower of cost or net realizable value adjustments for certain physical inventory of crude oil and low sulfur fuel oil primarily based on quality degradation and consideration of costs to sell of \$7.6 million. The adjustments are included in *Cost of sales of physical commodities* in the Consolidated Income Statements. As of September 30, 2021, the Company continues to attempt to recover this write down from its supplier, however there is substantial uncertainty as to whether the Company will be successful. The Company continues to pursue all legal avenues available to it regarding this matter.

#### Note 7 – Property and Equipment, net

Property and equipment are stated at cost, and reported net of accumulated depreciation and amortization on the Consolidated Balance Sheets. Depreciation on property and equipment is generally calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of property and equipment range from 3 to 10 years. During the years ended September 30, 2021, 2020, and 2019, depreciation expense was \$21.3 million, \$13.3 million, and \$11.2 million respectively.

The Company capitalized \$22.3 million of software development costs during the year ended September 30, 2021.

A summary of property and equipment, at cost less accumulated depreciation and amortization as of September 30, 2021 and 2020 is as follows:

(in millions)	September 30,	
	2021	2020
Property and equipment:		
Furniture and fixtures	\$ 15.0	\$ 10.2
Software	30.0	28.6
Equipment	44.1	30.8
Leasehold improvements	43.9	38.3
Capitalized software development	22.3	—
Total property and equipment	155.3	107.9
Less: accumulated depreciation and amortization	(62.0)	(45.8)
Property and equipment, net	\$ 93.3	\$ 62.1

In connection with integrating Gain, the Company re-evaluated all trading systems utilized across the organization in order to identify duplicative systems. In connection with this process, the Company determined that certain legacy capitalized developed software costs within the Company's OTC foreign exchange business would no longer be placed into service and utilized as expected prior to the merger with Gain. As a result, the Company recorded impairment charges of \$5.7 million, which are reflected in *Bad debts, net of recoveries and impairment* on the Consolidated Income Statement for the year ended September 30, 2020.

**Note 8 – Goodwill**

Goodwill allocated to the Company’s operating segments as of September 30, 2021 and 2020 is as follows:

(in millions)	September 30,	
	2021	2020
Commercial	\$ 32.5	\$ 32.7
Institutional	9.8	9.8
Retail	5.8	2.2
Global Payments	10.0	10.0
Total Goodwill	58.1	54.7

The Company recorded \$0.2 million and \$0.1 million in foreign exchange revaluation adjustments on goodwill for the years ended September 30, 2021 and 2020, respectively.

The Company recorded additional goodwill of \$3.6 million during the year ended September 30, 2021 within the Retail reportable segment related to the initial purchase price allocation for the acquisition of Chasing Returns Limited, as further discussed in Note 21.

The Company recorded additional goodwill of \$2.3 million during the year ended September 30, 2020 within the Global Payments operating segment related to the initial purchase price allocation for the acquisition of GIROXX GmbH (“GIROXX”) as further discussed in Note 21.

The Company recorded additional goodwill of \$1.1 million during the year ended September 30, 2020 within the Institutional reportable segment related to the final purchase price allocation for the acquisition of the futures and options brokerage and clearing business of UOB Bullion and Futures Limited as further discussed in Note 21.

**Note 9 – Intangible Assets**

The Company recorded \$2.4 million of software program/platform intangible assets during the year ended September 30, 2021 related to the acquisition of Chasing Returns Limited, as further discussed in Note 21. In addition, the Company recorded \$0.5 million of new business licenses related to Global Payments within the year.

The Company recorded \$3.1 million, \$1.0 million, \$1.7 million, and \$9.8 million of customer base intangible assets during the year ended September 30, 2020 related to the acquisitions of UOB Bullion and Futures Limited, IFCM Commodities GmbH, Quest Capital, and Gain, respectively, as further discussed in Note 21.

The Company recorded \$22.2 million and \$1.5 million of software program/platform intangible assets during the year ended September 30, 2020 related to the acquisitions of Gain and GIROXX, respectively, as further discussed in Note 21.

The Company recorded \$3.7 million of trade/domain name intangible assets during the year ended September 30, 2020 related to the acquisition of Gain as further discussed in Note 21.

The Company recorded \$0.4 million of indefinite lived business license intangible assets during the year ended September 30, 2020 related to the acquisition of GIROXX as further discussed in Note 21.

The gross and net carrying values of intangible assets as of the balance sheet dates, by major intangible asset class are as follows (in millions):

	September 30, 2021			September 30, 2020		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
<b>Intangible assets subject to amortization:</b>						
Trade/domain names	\$ 3.7	\$ (0.9)	\$ 2.8	\$ 3.7	\$ (0.2)	\$ 3.5
Software programs/platforms	31.4	(13.3)	18.1	29.0	(4.9)	24.1
Customer base	37.7	(21.7)	16.0	38.2	(16.3)	21.9
Total intangible assets subject to amortization	72.8	(35.9)	36.9	70.9	(21.4)	49.5
<b>Intangible assets not subject to amortization</b>						
Website domains	2.1	—	2.1	2.1	—	2.1
Business licenses	3.7	—	3.7	3.2	—	3.2
Total intangible assets not subject to amortization	5.8	—	5.8	5.3	—	5.3
Total intangible assets	\$ 78.6	\$ (35.9)	\$ 42.7	\$ 76.2	\$ (21.4)	\$ 54.8

Amortization expense related to intangible assets was \$15.1 million, \$5.8 million, and \$2.8 million for the years ended September 30, 2021, 2020, and 2019, respectively.

As of September 30, 2021, estimated future amortization expense was as follows:

<b>(in millions)</b>	
Fiscal 2022	\$ 14.4
Fiscal 2023	12.7
Fiscal 2024	5.2
Fiscal 2025	1.9
Fiscal 2026 and thereafter	2.7
	\$ 36.9

#### Note 10 - Leases

The Company leases office space under non-cancelable operating leases with third parties as of September 30, 2021. Leases with an initial term of twelve months or less are not recorded on the Consolidated Balance Sheets and the Company recognizes lease expense for these leases on a straight-line basis over the lease term. Certain office space leases include one or more options to renew, with renewal terms that can extend the lease term from three to ten years, and some of which include the Company's option to terminate the leases within two years of the balance sheet date. The Company has not considered any renewal options in the lease terms of its office space leases as the Company does not believe it is reasonably certain that any of the rights will be exercised. In determining the term of certain office space leases, the Company has not included periods after termination date, if the Company holds a termination option and believes it is reasonably certain to exercise.

As the office space leases do not provide an implicit rate, the Company applies a collateralized incremental borrowing rate based on information available at lease commencement date in determining the present value of lease payments. The Company applied a collateralized incremental borrowing rate as of October 1, 2019 for operating leases that commenced prior to that date. For office space leases executed by subsidiaries, including foreign subsidiaries, the Company has applied its incremental borrowing rate. The Company believes this is a reasonable approach as its subsidiaries either do not have their own treasury functions or the credit facilities available to its subsidiaries do not permit financing of right-of-use assets. Additionally, in certain instances, the parent company provides a guaranty of the lease payments to the lessor under office space leases executed by its subsidiaries. The Company believes that pricing subsidiary leases is more significantly influenced by the credit standing of the parent company than that of its subsidiaries.

Certain office space leases contain variable lease payments related to fair market rent adjustments and local inflation index measures. The Company estimates variable lease payments based upon information available at lease commencement date in determining the present value of lease payments. The Company applied information available as of October 1, 2019 for operating leases that commenced prior to that date.

The Company has elected to not separate lease components from nonlease components for all office space leases. The Company does not have any financing leases as of September 30, 2021. Operating lease expense is recognized on a straight-line basis over the lease term and is reported within *Occupancy and equipment rental* on the Consolidated Income Statements.

As of September 30, 2021 and 2020, the Company recorded operating lease right-of-use assets of \$125.3 million and \$101.5 million, respectively, and operating lease liabilities of \$146.6 million and \$118.7 million, respectively. As of October 1, 2019, in conjunction with the adoption of the new accounting standard, the Company recorded operating lease right-of-use assets and operating lease liabilities of \$33.1 million and \$36.2 million, respectively.

The following table presents operating lease costs and other related information as of and for the year ended September 30, 2021 (in millions, except as stated):

	Year Ended September 30,	
	2021	2020
Operating lease costs <sup>(1)</sup>	\$ 25.5	\$ 17.2
Supplemental cash flow information and non-cash activity:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 16.8	\$ 12.1
Right-of-use assets obtained in exchange for operating lease liabilities	\$ 36.2	\$ 96.4
Lease term and discount rate information:		
Weighted average remaining lease term (years)	11.5	11.3
Weighted average discount rate	4.0 %	4.3 %

<sup>(1)</sup> Includes short-term leases and variable lease costs, which are immaterial.

The maturities of the lease liabilities are as follows as of September 30, 2021 (in millions):

2022	\$ 17.2
2023	16.9
2024	15.5
2025	14.8
2026	15.1
After 2026	106.5
Total lease payments	186.0
Less: interest	39.4
Present value of lease liabilities	146.6

## Note 11 – Credit Facilities

### Committed Credit Facilities

The Company has four committed credit facilities, including a senior secured term loan, under which the Company and its subsidiaries may borrow up to \$806.4 million, subject to the terms and conditions for these facilities. The amounts outstanding under these credit facilities carry variable rates of interest, thus approximating fair value. The Company's committed credit facilities consist of the following:

- A three-year first-lien senior secured syndicated loan facility under which \$406.4 million is available to the Company for general working capital requirements and capital expenditures. During the year ended September 30, 2021, the facility was amended to increase the revolving credit facility from \$196.5 million to \$236.1 million and to extend the maturity date to August 22, 2022. The facility also includes a Term Loan component with an original value of \$196.5 million.

The Company is required to make quarterly principal payments against the Term Loan equal to 1.25% of the original balance with the remaining balance due on the maturity date. During the year ended September 30, 2021, the Company made scheduled quarterly principal payments against the Term Loan equal to \$9.8 million. Amounts repaid on the Term Loan may not be reborrowed.

The credit facility is secured by a first priority lien on substantially all of the assets of the Company and those of our subsidiaries that guarantee the credit facility. Per the terms of the amended facility, the commitment fees and interest rates are subject to decrease if the Company's consolidated leverage ratio, as defined, decreases below certain thresholds. As of September 30, 2021, unused portions of the loan facility require a commitment fee of 0.625% on the unused commitment. Both the revolving credit facility and the Term Loan are subject to variable rates of interest. As

of September 30, 2021, borrowings under the facility bear interest at the Eurodollar Rate, as defined, plus 3.00% or the Base Rate, as defined, plus 2.00%. Borrowings under the Base Rate and Eurodollars options were subject to interest rates of 5.25% and 3.07%, respectively, as of September 30, 2021. The agreement contains financial covenants related to consolidated tangible net worth, consolidated funded debt to net worth ratio, consolidated fixed charge coverage ratio and consolidated net unencumbered liquid assets, as defined. The agreement also contains a non-financial covenant related to the allowable annual consolidated capital expenditures permitted under the agreement. The Company was in compliance with all covenants under the loan facility as of September 30, 2021.

- An unsecured committed line of credit under which \$75.0 million is available to the Company's wholly owned subsidiary, StoneX Financial Inc to provide short term funding of margin to commodity exchanges as necessary. This line of credit is subject to annual review, and the continued availability of this line of credit is subject to StoneX Financial Inc's financial condition and operating results continuing to be satisfactory as set forth in the agreement. Unused portions of the margin line require a commitment fee of 0.50% on the unused commitment. Borrowings under the margin line are on a demand basis and bear interest at the Base Rate, as defined, plus 2.00%, which was 5.25% as of September 30, 2021. The agreement contains financial covenants related to StoneX Financial Inc's tangible net worth, excess net capital and maximum net loss over a trailing twelve month period, as defined. StoneX Financial Inc was in compliance with these covenants as of September 30, 2021. The facility is guaranteed by the Company.
- A syndicated committed borrowing facility under which \$300.0 million is available to the Company's wholly owned subsidiary, StoneX Commodity Solutions LLC ("StoneX Commodity Solutions"), formerly FCStone Merchant Services, LLC, to finance commodity financing arrangements and commodity repurchase agreements. The facility is secured by the assets of StoneX Commodity Solutions, and guaranteed by the Company. Unused portions of the borrowing facility require a commitment fee of 0.35% on the unused commitment. The borrowings outstanding under the facility bear interest at a rate per annum equal to the Eurodollar Rate plus Applicable Margin, as defined, or the Base Rate plus Applicable Margin, as defined. Borrowings under the Base Rate and Eurodollar options were subject to interest rates of 3.25% and 2.3%, respectively, as of September 30, 2021. The agreement contains financial covenants related to tangible net worth, as defined. StoneX Commodity Solutions was in compliance with this covenant as of September 30, 2021.
- An unsecured syndicated committed borrowing facility under which \$25.0 million is available to the Company's wholly owned subsidiary, StoneX Financial Ltd for short term funding of margin to commodity exchanges. The borrowings outstanding under the facility bear interest at a rate per annum equal to 2.50% plus LIBOR, as defined. The agreement contains financial covenants related to net tangible assets, as defined. StoneX Financial Ltd was in compliance with this covenant as of September 30, 2021. The facility is guaranteed by the Company. The facility in place at September 30, 2020 matured on October 14, 2020 and was replaced by an unsecured syndicated committed borrowing facility with substantially similar terms. During October 2021 the new facility was renewed to extend the maturity date to October 14, 2022. On November 18, 2021, the facility was amended to increase the committed borrowing amount available to \$50.0 million.

#### ***Uncommitted Credit Facilities***

During the year ended September 30, 2021, the Company executed a secured, uncommitted loan facility, under which StoneX Financial Ltd may borrow up to \$25.0 million, collateralized by commodities warehouse receipts, to facilitate the financing of inventory of commodities, subject to certain terms and conditions of the credit agreement. There were \$25 million in borrowings outstanding under this credit facility as of September 30, 2021.

The Company has a secured, uncommitted loan facility, under which StoneX Financial Inc may borrow up to \$75.0 million, collateralized by commodities warehouse receipts, to facilitate U.S. commodity exchange deliveries of its clients, subject to certain terms and conditions of the credit agreement. There were no borrowings outstanding under this credit facility at September 30, 2021 and 2020.

The Company has a secured, uncommitted loan facility, under which StoneX Financial Inc. may borrow for short term funding of proprietary and client securities margin requirements, subject to certain terms and conditions of the agreement. The uncommitted amount available to be borrowed is not specified, and all requests for borrowing are subject to the sole discretion of the lender. The borrowings are secured by first liens on Company owned marketable securities or client owned securities which have been pledged to the Company. The amounts borrowed under the facilities are payable on demand. There were no borrowings outstanding under this credit facility as of September 30, 2021 and 2020.

The Company has secured uncommitted loan facilities under which StoneX Financial Inc may borrow up to \$100.0 million for short term funding of proprietary and client securities margin requirements, subject to certain terms and conditions of the agreement. The borrowings are secured by first liens on Company owned marketable securities or client owned securities which have been pledged to the Company. The amounts borrowed under the facilities are payable on demand. There were no borrowings outstanding under this credit facility as of September 30, 2021 and 2020.

### **Note Payable to Bank**

In December 2020, the Company obtained a \$9.0 million loan from a commercial bank, secured by equipment purchased with the proceeds. The note is payable in monthly installments, with the final payment due during December 2025. The note bears interest at a rate per annum equal to the Index rate, as defined in the agreement, plus 2.35%.

### **Senior Secured Notes**

In June 2020, the Company issued \$350 million in aggregate principal amount of its 8.625% Senior Secured Notes due 2025 (the “Senior Secured Notes”) at the offering price of 98.5% of the aggregate principal amount. The Company used the proceeds from the sale of the Senior Secured Notes to fund the preliminary cash consideration for the acquisition of Gain on the closing date, as further discussed in Note 21, to pay certain related transaction fees and expenses, and to fund the repayment of Gain’s 5.00% Convertible Senior Notes due 2022 (the “Gain Notes”), with the exception of \$0.5 million which remains outstanding, as certain holders of the Gain Notes neither exercised such holder’s fundamental change repurchase right or make-whole fundamental change conversion right.

The Senior Secured Notes are fully and unconditionally guaranteed, jointly and severally, on a senior second lien secured basis, by certain subsidiaries of the Company that guarantee the Company’s senior committed credit facility and by Gain and certain of its domestic subsidiaries.

The Senior Secured Notes will mature on June 15, 2025. Interest on the Senior Secured Notes accrues at a rate of 8.625% per annum and is payable semiannually in arrears on June 15 and December 15 of each year, commencing on December 15, 2020. The Company incurred debt issuance costs of \$9.5 million in connection with the issuance of the Senior Secured Notes, which are being amortized over the term of the Senior Secured Notes under the effective interest method.

The Company has the option to redeem all or a portion of the Senior Secured Notes at any time prior to June 15, 2022 at a price equal to 100% of the principal amount of the Senior Secured Notes redeemed plus accrued and unpaid interest to the redemption date plus a “make-whole” premium. At any time on or after June 15, 2022, the Company may redeem the Senior Secured Notes, in whole or in part, at the redemption prices set forth in the indenture. At any time before June 15, 2022, the Company may also redeem up to 40% of the aggregate principal amount of the Senior Secured Notes at a redemption price of 108.625% of the principal amount, plus accrued and unpaid interest, if any, to the date of redemption, with the proceeds of certain equity offerings.

Pursuant to the terms of the Senior Secured Notes indenture, during the year ended September 30, 2021, the Company had the option to redeem up to \$100.0 million in aggregate principal amount of the Senior Secured Notes at a redemption price equal to 103% of the principal amount of the Senior Secured Notes redeemed, plus accrued and unpaid interest, if any, to the date of redemption. The Company elected not to redeem any portion of the Secured Notes.

The holders of the Senior Secured Notes had the right to require the Company to repurchase up to \$100.0 million in aggregate principal amount of the Senior Secured Notes (or a lesser amount equal to the difference between \$100.0 million and the amounts previously redeemed by the Company) at a purchase price equal to 103% of the principal amount of the Senior Secured Notes repurchased, plus accrued and unpaid interest, if any, to the date of repurchase. During the year ended September 30, 2021, the Company redeemed \$1.6 million of the principal amount of the outstanding Senior Secured Notes, for 103% of the principal amount, plus accrued and unpaid interest.

In connection with the Gain merger, the Company assumed the Gain Notes in an aggregate principal amount of \$92.0 million. The consummation of the merger with Gain constituted a fundamental change and make-whole fundamental change under the terms of the Gain Notes’ indenture. As a result, the holders of the Gain Notes were entitled to require the Company to repurchase the Gain Notes at a repurchase price equal to 100% of the principal amount, together with accrued and unpaid interest, on September 1, 2020. Alternatively, the holders of the Gain Notes could continue to hold such notes without exercising the repurchase right, in which case the Gain Notes continued to bear interest at 5.00% and the notes are convertible into the right to convert the principal amount of the Senior Secured Notes solely into cash in an amount equal to the conversion rate in effect on the conversion date multiplied by \$6.00. Under the terms of the fundamental change and make-whole fundamental change, the Company redeemed \$91.5 million of the aggregate principal amount of Gain Notes on September 1, 2020, with approximately \$0.5 million remaining outstanding as of September 30, 2021. The Company was required to redeem the Senior Secured Notes in an amount equal to the aggregate principal amount of the Gain Notes that remained outstanding after the fundamental change repurchase date, at a redemption price equal to 100% of the principal amount of the Senior Secured Notes redeemed, plus accrued and unpaid interest, if any, to the redemption date.

### **Financing Bridge Commitment**

In February 2020, the Company entered into a commitment letter with Jefferies Finance LLC (“Jefferies”), pursuant to which subject to the terms and conditions set forth therein, Jefferies committed to provide a \$350 million senior secured bridge loan facility to finance the merger with Gain and to pay related fees and expenses. In consideration for Jefferies commitment to



provide the bridge facility, the Company paid Jefferies a non-refundable commitment fee of \$4.4 million. As a result of the issuance of the Senior Secured Notes as described above, the commitment was terminated and the commitment fee was extinguished and included in *Interest expense on corporate funding* on the Consolidated Income Statement for the year ended September 30, 2020.

The following table sets forth a listing of credit facilities, the current committed amounts as of the report date on the facilities, and outstanding borrowings on the facilities as well as indebtedness on a promissory note and the Senior Secured Notes as of the periods indicated:

(in millions)

Borrower	Security	Renewal/Expiration Date	Total Commitment	Amounts Outstanding	
				September 30, 2021	September 30, 2020
<b>Committed Credit Facilities</b>					
Term Loan	(1)	August 22, 2022	\$ 170.3 (4)	\$ 170.1	(3) \$ 179.5
Revolving Line of Credit	(1)	August 22, 2022	236.1 (5)	—	23.0
Senior StoneX Group Inc. Committed Credit Facility			406.4	170.1	202.5
StoneX Financial Inc.	None	April 1, 2022	75.0	—	—
FCStone Merchants Services, LLC	Certain commodities assets	January 29, 2022	300.0 (5)	215.0	200.1
StoneX Financial Ltd.	None	October 14, 2022	25.0 (5)	—	25.0
			<u>\$ 806.4</u>	<u>\$ 385.1</u>	<u>\$ 427.6</u>
<b>Uncommitted Credit Facilities</b>					
StoneX Financial Inc.	Commodities warehouse receipts and certain pledged securities	n/a	n/a	—	—
StoneX Financial Ltd.	Commodities warehouse receipts	n/a	n/a (5)	25.0	20.0
Notes payable to bank	Certain equipment		(5)	8.6	—
Senior Secured Notes	(2)		(4)	336.9 (3)	336.0
Total outstanding borrowings				<u>\$ 755.6</u>	<u>\$ 783.6</u>

(1) The StoneX Group Inc. committed credit facility is secured by substantially all of the assets of StoneX Group Inc. and certain subsidiaries identified in the credit facility agreement as obligors, and pledged equity of certain subsidiaries identified in the credit facility as limited guarantors

(2) The Senior Secured Notes and the related guarantees are secured by liens on substantially all of the Company's and the guarantors' assets, subject to certain customary and other exceptions and permitted liens. The liens on the assets that secure the Senior Secured Notes and the related guarantees are contractually subordinated to the liens on the assets that secure the Company's and the guarantors' existing and future first lien secured indebtedness, including indebtedness under the Company's senior committed credit facility.

(3) Amounts outstanding under the Term Loan and the Senior Secured Notes are reported net of unamortized deferred financing costs and original issue discount of \$0.2 million and \$11.5 million, respectively.

(4) Included in *Senior secured borrowings, net* on the Consolidated Balance Sheets.

(5) Included in *Lenders under loans* on the Consolidated Balance Sheets.

As reflected above, three of the Company's committed credit facilities are scheduled to expire during the year ended September 30, 2022. The Company intends to renew or replace these facilities as they expire, and based on the Company's liquidity position and capital structure, the Company believes it will be able to do so.

## Note 12 – Securities and Commodity Financing Transactions

The Company enters into securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned transactions to, among other things, fund principal debt trading, acquire securities to cover short positions, acquire securities for settlement, and to accommodate counterparties' needs under matched-book trading strategies. These agreements are recorded as collateralized financings at their contractual amounts plus accrued interest. The related interest is recorded in the Consolidated Income Statements as *Interest income* or *Interest expense*, as applicable. In connection with these agreements and transactions, it is the Company's policy to receive or pledge cash or securities to

adequately collateralize such agreements and transactions in accordance with relevant contractual terms. The collateral is valued daily and the Company may require counterparties to deposit additional collateral or return collateral pledged.

The Company pledges financial instruments owned to collateralize repurchase agreements. At September 30, 2021 and 2020, financial instruments owned, at fair value of \$843.3 million and \$468.6 million, respectively, were pledged as collateral under repurchase agreements. The financial instruments owned that have been pledged as collateral have been parenthetically disclosed on the Consolidated Balance Sheets.

In addition, as of September 30, 2021 and 2020, the Company pledged financial instruments owned, at fair value of \$2,359.6 million and \$1,266.4 million, respectively, to cover collateral requirements for tri-party repurchase agreements. These securities have not been parenthetically disclosed on the Consolidated Balance Sheets since the counterparties do not have the right to sell or repledge the collateral. The Company also repledged securities received under reverse repurchase agreements of \$1,157.9 million and \$1,484.7 million, respectively in the two years, to cover collateral requirements for tri-party repurchase agreements.

The Company also has repledged securities borrowed and client securities held under custodial clearing arrangements to collateralize securities loaned agreements with a fair value of \$2,097.6 million and \$1,410.3 million as of September 30, 2021 and 2020, respectively.

At September 30, 2021 and 2020, the Company had accepted collateral that it is permitted by contract to sell or repledge. This collateral consists primarily of securities received in reverse repurchase agreements, securities borrowed agreements, and margin securities held on behalf of correspondent brokers. The fair value of such collateral at September 30, 2021 and 2020 was \$4,399.8 million and \$3,303.1 million, respectively, of which \$1,031.1 million and \$285.7 million, respectively, was used to cover securities sold short which are recorded in *Financial instruments sold, not yet purchased, at fair value* on the Consolidated Balance Sheets. In the normal course of business, this collateral is used by the Company to cover financial instruments sold, not yet purchased, to obtain financing in the form of repurchase agreements, and to meet counterparties' needs under lending arrangements and matched-book trading strategies.

The following tables provide the contractual maturities of gross obligations under repurchase and securities lending agreements as of the periods indicated (in millions):

	September 30, 2021				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 2,949.8	\$ 973.4	\$ 137.5	\$ 280.2	\$ 4,340.9
Securities loaned	2,153.6	—	—	—	2,153.6
Gross amount of secured financing	\$ 5,103.4	\$ 973.4	\$ 137.5	\$ 280.2	\$ 6,494.5

	September 30, 2020				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 1,736.3	\$ 1,069.2	\$ 325.0	\$ 25.0	\$ 3,155.5
Securities loaned	1,441.9	—	—	—	1,441.9
Gross amount of secured financing	\$ 3,178.2	\$ 1,069.2	\$ 325.0	\$ 25.0	\$ 4,597.4

The following table provides the underlying collateral types of the gross obligations under repurchase and securities lending agreements as of the periods indicated (in millions):

	September 30,	
	2021	2020
<b>Securities sold under agreements to repurchase</b>		
U.S. Treasury obligations	\$ 106.8	\$ 815.8
U.S. government agency obligations	354.6	279.5
Asset-backed obligations	255.9	18.0
Agency mortgage-backed obligations	3,536.2	1,990.0
Corporate bonds	87.4	52.2
Total securities sold under agreement to repurchase	\$ 4,340.9	\$ 3,155.5
<b>Securities loaned</b>		
Equity securities	\$ 2,153.6	\$ 1,441.9
Total securities loaned	2,153.6	1,441.9
Gross amount of secured financing	\$ 6,494.5	\$ 4,597.4

The following tables provide the netting of securities purchased under agreements to resell, securities sold under agreements to repurchase, securities borrowed and securities loaned as of the periods indicated (in millions):

	September 30, 2021		
	Gross Amounts Recognized	Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet
<b>Offsetting of collateralized transactions:</b>			
Securities purchased under agreements to resell	\$ 2,239.9	\$ —	\$ 2,239.9
Securities borrowed	\$ 2,163.1	\$ —	\$ 2,163.1
Securities sold under agreements to repurchase	\$ 4,340.9	\$ —	\$ 4,340.9
Securities loaned	\$ 2,153.6	\$ —	\$ 2,153.6
<b>September 30, 2020</b>			
	Gross Amounts Recognized	Amounts Offset in the Consolidated Balance Sheet	Net Amounts Presented in the Consolidated Balance Sheet
<b>Offsetting of collateralized transactions:</b>			
Securities purchased under agreements to resell	\$ 1,696.2	\$ —	\$ 1,696.2
Securities borrowed	\$ 1,440.0	\$ —	\$ 1,440.0
Securities sold under agreements to repurchase	\$ 3,155.5	\$ —	\$ 3,155.5
Securities loaned	\$ 1,441.9	\$ —	\$ 1,441.9

### Note 13 – Commitments and Contingencies

#### Legal and Regulatory Proceedings

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal and regulatory proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company's legal counsel evaluates the perceived merits of any legal or regulatory proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred at the date of the financial statements and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed. Neither accrual nor disclosure is required for loss contingencies that are deemed remote. The Company accrues legal fees related to contingent liabilities as they are incurred.

From time to time and in the ordinary course of business, the Company is involved in various legal actions and proceedings, including tort claims, contractual disputes, employment matters, workers' compensation claims and collections. The Company carries insurance that provides protection against certain types of claims, up to the limits of the respective policy. Additionally,

the Company is subject to extensive regulation and supervision by U.S. federal and international governmental agencies and various self-regulatory organizations. The Company and its advisors periodically engage with such regulatory agencies and organizations, in the context of examinations or otherwise, to respond to inquiries, informational requests, and investigations. From time to time, such engagements result in regulatory complaints or other matters, the resolution of which can include fines and other remediation.

As of September 30, 2021 and 2020, the Consolidated Balance Sheets include loss contingency accruals, recorded during and prior to these years then ended, which are not material, individually or in the aggregate, to the Company's financial position or liquidity. Management does not currently believe exposure from loss contingencies in excess of the amounts accrued, and in addition to the possible losses discussed below, to be material to the Company's earnings, financial position or liquidity.

The following is a summary of a significant legal matter involving the Company:

#### *OptionSellers*

In November 2018, balances in approximately 300 accounts of the FCM division of the Company's wholly owned subsidiary, StoneX Financial Inc., declined below required maintenance margin levels, primarily as a result of significant and unexpected price fluctuations in the natural gas markets. All positions in these accounts, which were managed by OptionSellers.com Inc. ("OptionSellers"), an independent Commodity Trading Advisor ("CTA"), were liquidated in accordance with the StoneX Financial Inc.'s client agreements and obligations under market regulation standards.

A CTA is registered with the U.S. Commodity Futures Trading Commission ("CFTC") and a member of, and subject to audit by, the National Futures Association ("NFA"). OptionSellers is registered under a CFTC Rule 4.7 exemption for "qualified eligible persons," which requires the account holders authorizing OptionSellers to act as their CTA to meet or exceed certain minimum financial requirements. OptionSellers, in its role as a CTA, had been granted by each of its clients full discretionary authority to manage the trading in the client accounts, while StoneX Financial Inc. acted solely as the clearing firm in its role as the FCM.

StoneX Financial Inc.'s client agreements hold account holders liable for all losses in their accounts and obligate the account holders to reimburse StoneX Financial Inc. for any account deficits in their accounts. As of September 30, 2021, the aggregate receivable from these client accounts, net of collections and other allowable deductions, was \$28.9 million, with no individual account receivable exceeding \$1.4 million. StoneX Financial Inc. continues to pursue collection of these receivables and intends both to enforce and to defend its rights aggressively, and to claim interest and costs of collection where applicable.

During the Company's October 1, 2020 implementation of CECL, the new credit reserving model which is based on expected losses over the life of an asset and which applies to client deficits, the Company completed an assessment of the collectability of these accounts under this new guidance. As a result of the implementation, the Company recognized a cumulative-effect adjustment to record an allowance against these uncollected balances of \$8.2 million. The Company continues to assess collectability of these accounts quarterly, including the consideration of numerous arbitration proceedings the Company has initiated against these clients to recover deficit balances in their accounts. The Company believes it has a valid claim against these clients, based on the express language of the client contracts and legal precedent, and intends to pursue collection of these claims vigorously. As the Company proceeds through the collection and arbitration processes and additional information becomes available, the Company will continue considering information in its determination of any changes in the allowance against the carrying value of these uncollected balances.

StoneX Financial Inc. has been named in arbitrations brought by clients seeking damages relating to the trading losses in these accounts. The Company believes that such cases are without merit and intend to defend them vigorously. At the same time, the Company has initiated numerous arbitration proceedings against clients to recover deficit balances in their accounts.

Depending on future collections and arbitration proceedings, any provisions for bad debts and actual losses ultimately may or may not be material to the Company's financial results. Currently, the Company does not believe that any potential losses related to this matter would impact its ability to comply with its ongoing liquidity, capital, and regulatory requirements.

#### **Contractual Commitments**

##### *Purchase Commitments*

The Company determines an estimate of contractual purchase commitments in the ordinary course of business primarily for the purchase of precious metals and agricultural and energy commodities. Unpriced contract commitments have been estimated using September 30, 2021 fair values. Purchase commitments and other obligations as of September 30, 2021 for less than one year, one to three years, three to five years, and after five years were \$5,409.6 million, \$223.7 million, \$406.1 million, and \$119.4 million respectively. The purchase commitments for less than one year will be offset by corresponding sales commitments of \$4,998.2 million.

### Exchange Member Guarantys

The Company is a member of various exchanges that trade and clear futures and option contracts. In connection with the Sterne acquisition, the Company is also a member of and provides guarantys to securities clearinghouses and exchanges in connection with client trading activities. Associated with its memberships, the Company may be required to pay a proportionate share of the financial obligations of another member who may default on its obligations to the exchanges. While the rules governing different exchange memberships vary, in general the Company's guaranty obligations would arise only if the exchange had previously exhausted its resources. In addition, any such guaranty obligation would be apportioned among the other non-defaulting members of the exchange. Any potential contingent liability under these arrangements is not quantifiable and could exceed the cash and securities posted to the clearinghouse as collateral.

The Company has not recorded any contingent liability in the consolidated financial statements for these agreements and believes that any potential requirement to make payments under these agreements is remote.

### Self-Insurance

The Company self-insures its medical and dental claims costs up to a stop loss amount, for eligible participating employees and retirees, and for qualified dependents, subject to deductibles and limitations. Liabilities are recognized based on claims filed and an estimate of claims incurred but not reported. The Company has purchased stop-loss coverage to limit its exposure on a per claim basis and in aggregate in the event that aggregated actual claims would exceed 120% of the actuarial estimate. The Company is insured for covered costs in excess of these limits. Although the ultimate outcome of these matters may exceed the amounts recorded and additional losses may be incurred, the Company does not believe that any additional potential exposure for such liabilities will have a material adverse effect on the Company's consolidated financial position or results of operations. As of September 30, 2021 and 2020, the Company had \$1.2 million and \$1.1 million, respectively, accrued for self-insured medical and dental claims included in *Accounts payable and other liabilities* in the Consolidated Balance Sheets.

### Note 14 – Accumulated Other Comprehensive Loss, Net

Comprehensive income consists of net income and other gains and losses affecting stockholders' equity that, under U.S. GAAP, are excluded from net income. Other comprehensive loss includes net actuarial losses from defined benefit pension plans and losses on foreign currency translations.

The following table summarizes the changes in accumulated other comprehensive loss for the years ended September 30, 2021, 2020, and 2019.

(in millions)	Foreign Currency Translation Adjustment	Pension Benefits Adjustment	Accumulated Other Comprehensive Loss, net
Balances as of September 30, 2018	\$ (30.5)	\$ (2.6)	\$ (33.1)
Other comprehensive loss	(0.8)	(0.8)	(1.6)
Amounts reclassified from AOCI, net of tax	(0.2)	0.1	(0.1)
Other comprehensive loss	(1.0)	(0.7)	(1.7)
Balances as of September 30, 2019	\$ (31.5)	\$ (3.3)	\$ (34.8)
ASU 2018-02 cumulative transition adjustment	—	(0.7)	(0.7)
Adjusted balances as of September 30, 2019	(31.5)	(4.0)	(35.5)
Other comprehensive loss	(4.5)	(0.2)	(4.7)
Amounts reclassified from AOCI, net of tax	—	0.1	0.1
Other comprehensive loss	(4.5)	(0.1)	(4.6)
Balances as of September 30, 2020	\$ (36.0)	\$ (4.1)	\$ (40.1)
Other comprehensive income	13.3	1.5	14.8
Amounts reclassified from AOCI, net of tax	—	0.2	0.2
Other comprehensive income	13.3	1.7	15.0
Balances as of September 30, 2021	\$ (22.7)	\$ (2.4)	\$ (25.1)

### Note 15 – Revenue from Contracts with Clients

The Company's revenues from contracts with clients subject to Topic 606 represent approximately 5.0%, 0.9%, and 1.4% of the Company's total revenues for the years ended September 30, 2021, 2020, and 2019, respectively.

Revenues within the scope of Topic 606 are presented within *Commission and clearing fees* and *Consulting, management, and account fees* on the Consolidated Income Statements. Revenues that are not within the scope of Topic 606 are presented within *Sales of physical commodities*, *Principal gains, net*, and *Interest income* on the Consolidated Income Statements.

The following table represents a disaggregation of the Company's total revenues separated between revenues from contracts with clients and other sources of revenue for the periods indicated (in millions):

	Year Ended September 30,		
	2021	2020	2019
Revenues from contracts with clients:			
Commission and clearing fees:			
Sales-based:			
Exchange-traded futures and options	\$ 190.6	\$ 143.7	\$ 144.9
OTC derivative brokerage	15.9	19.7	32.1
Equities and fixed income	60.5	39.9	16.1
Mutual funds	5.5	5.2	7.5
Insurance and annuity products	9.7	8.4	7.3
Other	2.3	1.4	1.3
Total sales-based commission	284.5	218.3	209.2
Trailing:			
Mutual funds	14.5	12.9	12.4
Insurance and annuity products	17.0	15.3	14.4
Total trailing commission	31.5	28.2	26.8
Clearing fees	150.9	139.0	118.8
Trade conversion fees	11.2	8.9	7.5
Other	9.1	9.2	10.1
Total commission and clearing fees	487.2	403.6	372.4
Consulting, management, and account fees:			
Underwriting fees	0.6	0.6	0.7
Asset management fees	38.3	31.3	26.2
Advisory and consulting fees	24.9	22.2	20.0
Sweep program fees	3.0	9.5	16.3
Client account fees	15.8	12.3	10.6
Other	8.4	7.8	5.8
Total consulting, management, and account fees	91.0	83.7	79.6
Sales of physical commodities:			
Precious metals retail sales	1,541.3	—	—
Total revenues from contracts with clients	\$ 2,119.5	\$ 487.3	\$ 452.0
Method of revenue recognition:			
Point-in-time	\$ 2,021.8	\$ 396.1	\$ 362.7
Time elapsed	97.7	91.2	89.3
Total revenues from contracts with clients	2,119.5	487.3	452.0
Other sources of revenues			
Physical precious metals trading	37,250.4	51,598.5	30,694.5
Physical agricultural and energy product trading	2,169.9	1,300.7	1,135.8
Principal gains, net	892.0	622.2	415.8
Interest income	102.4	130.9	198.9
Total revenues	\$ 42,534.2	\$ 54,139.6	\$ 32,897.0

The substantial majority of the Company's performance obligations for revenues from contracts with clients are satisfied at a point in time and are typically collected from clients by debiting their accounts with the Company.

Commission and clearing fee revenue and consulting, management, and account fees revenue are primarily related to the Commercial, Institutional and Retail reportable segments. Principal gains, net are contributed by all of the Company's reportable segments. Interest income is primarily related to the Commercial and Institutional reportable segments. Precious metals trading and agricultural and energy product trading revenues are primarily related to the Commercial reportable segment. Precious metals retail sales revenues are primarily related to the Retail reportable segment.

### **Commission and Clearing Fees**

Commission revenue represents sales and brokerage commissions generated by internal brokers, introducing broker-dealers, or registered investment advisors of introducing-broker dealers for their clients' trading activity in futures, options on futures, OTC derivatives, fixed income securities, equity securities, mutual funds, and annuities. The Company views the selling, distribution, and marketing, or any combination thereof, of mutual funds and insurance and annuity products to clients on the Company's registered investment advisor ("RIA") platform as a single performance obligation to the product sponsors.

The Company is the principal for commission revenue, as it is responsible for the execution of the clients' purchases and sales, and maintains relationships with product sponsors for trailing commission. Introducing broker dealers and registered investment advisors assist the Company in performing its obligations. Accordingly, total commission revenues are reported on a gross basis.

The Company primarily generates commission revenue on exchange-traded derivatives, OTC derivatives, and securities. Exchange-traded and OTC derivative commissions are recognized at a point in time on the trade date when the client, either directly or through the use of an internal broker or introducing broker, requests the clearance and execution of a trade. Securities commissions are either sale-based commissions that are recognized at a point in time on the trade date or trailing commission that are recognized over time as earned. Sales-based securities commissions are typically a flat fee per security transaction and in certain instances are based on a percentage of the trade date transaction value.

Trailing commission revenue is generally based on a percentage of the periodic fair value of clients' investment holdings in trail-eligible assets, and is recognized over the period during which services, such as on-going support, are performed. As trailing commission revenue is based on the fair value of clients' investment holdings in trail-eligible assets. This variable consideration is constrained until the fair value of trail-eligible assets is determinable.

Clearing fees generally represent transactional based fees charged by the various exchanges and clearing organizations for which the Company or one of its clearing brokers is a member for the privilege of executing and clearing trades through them. Clearing fees are generally passed through to the clients' accounts and are reported gross as the Company maintains control over the clearing and execution services provided, maintains relationships with the exchanges or clearing brokers, and has ultimate discretion in whether the fees are passed through to the clients and the rates at which they are passed through. As clearing fees are transactional based revenues they are recognized at a point in time on the trade date along with the related commission revenue when the client requests the clearance and execution of a trade.

### **Trade Conversion Fees**

Trade conversion fees include revenue earned from converting foreign ordinary equities into an American Depository Receipt ("ADR") or Global Depository Receipt ("GDR") and fees earned from converting an ADR or GDR into foreign ordinary equities on behalf of clients. Trade conversion revenue is recognized at a point in time on the trade date.

### **Underwriting Fees**

Revenues from investment banking consists of revenues earned from underwriting fixed income securities, primarily municipal and asset-backed securities, and are recognized in revenues upon completion of the underlying transaction, which is generally the trade date, based upon the terms of the assignment as the performance obligation is to successfully broker a specific transaction.

### **Asset Management Fees**

The Company earns asset management fees on Company sponsored and managed mutual funds and on the advisory accounts of independent registered investment advisors on the Company's platform. The Company provides ongoing investment advice and acts as a custodian, providing brokerage and execution services on transactions, and performs administrative services for these accounts. This series of performance obligations transfers control of the services to the client over time as the services are performed. This revenue is recognized ratably over time to match the continued delivery of the performance obligations to the client over the life of the contract. The asset management revenue generated is based on a percentage of the market value of the eligible assets in the clients' accounts. As such, the consideration for this revenue is variable and this variable consideration is constrained until the market value of eligible assets in the clients' accounts is determinable.

### **Advisory and Consulting Fees**

Advisory and consulting fees are primarily related to risk management consulting fees which are billed and recognized as revenue on a monthly basis when risk management services are provided. Risk management consulting contracts are generally for a minimum term of six months and then continue from month to month, but may be terminated at any time after the original six months by either party upon providing written notice. Advisory and consulting fees are not variable based on client trading activities. This revenue is generally recognized ratably over time to match the continued delivery of the performance obligation to the client over the life of the contract.

### **Sweep Program Fees**

The Company earns fees generated in lieu of interest income from a multi-bank sweep program with unaffiliated banks and money market funds. Pursuant to contractual arrangements with clients and their introducing-brokers, available cash balances in client accounts are swept into either Federal Deposit Insurance Corporation (“FDIC”) insured cash accounts at unaffiliated banks or unaffiliated money market funds for which the Company earns a portion of the interest income generated by the client balances for administration and recordkeeping. The fees generated by the Company’s multi-bank sweep program are reported net of the balances remitted to the introducing-brokers and the clients of introducing-brokers. These fees are paid and recognized over time to match the continued delivery of the administration and recordkeeping performance obligations to the life of the contract. The fees earned under this program are generally based upon the type of sweep account, prevailing interest rates, and the amount of client balances invested.

### **Client Accounts Fees**

Client accounts fees represent fees earned for custodial, recordkeeping, and administrative functions performed for the securities clearing accounts of clients. These include statement delivery fees, account transfer fees, safekeeping fees, errors and omission insurance fees, platform fees, and other fees. Client account fees that are transactional based, such as account transfer fees, are recognized at a point in time when the related performance obligation is satisfied. Client account fees that are related to ongoing services, such as statement delivery fees and errors and omission insurance fees, are recognized over time. Client account fees that relate to ongoing services are typically billed to clients’ accounts on a monthly or quarterly basis.

### **Retail Precious Metals Sales**

The Company principally generates revenue from sale of bullion coins and small bars of precious metal via the operation of two websites: [www.coininvest.com](http://www.coininvest.com) and [www.silver-to-go.com](http://www.silver-to-go.com). Revenues from the sale of physical precious metals are recognized when control of the inventory is transferred within the meaning of Topic 606.

### **Physical Precious Metals Trading**

The Company principally generates revenue from trading physical precious metals on an OTC basis. Revenues from the sale of physical precious metals are recorded on a trade date basis and generally settle on an unallocated basis. Substantially all of the Company’s sales of precious metals are conducted using sales contracts that meet the definition of derivative instruments in accordance with ASC 815, Derivatives and Hedging (“Topic 815”). The contracts underlying the Company’s commitment to deliver precious metals are referred to as fixed price forward commodity contracts because the price of the commodity is fixed at the time the order is placed. Although the contracts typically are executed on a spot basis and settle on unallocated account, the client has the option to request delivery of the precious metals, the option to net settle out of the position by executing an offsetting trade, or the option to roll the transaction to a subsequent maturity date. Thus, the sales contracts contain embedded option derivatives that would be subject to the guidance in Topic 815. As the contracts are subject to the guidance in Topic 815, the fixed price derivative sales contracts are outside the scope of Topic 606. The Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606.

Physical precious metals trading revenue generated by registered broker-dealer subsidiaries are presented on a net basis and included as a component of *Principal gains, net* in the Consolidated Income Statements, in accordance with U.S GAAP accounting requirements for broker-dealers. Physical precious metals trading revenue for subsidiaries that are not broker-dealers continue to be recorded on a gross basis.

### **Physical Agricultural and Energy Product Trading**

The Company principally generates revenue from merchandising and originating physical agricultural and energy commodities from forward firm sales commitments accounted in accordance with Topic 815. The fixed and provisionally-priced derivative sales contracts that result in physical delivery are outside the scope of Topic 606. The Company recognizes revenue when control of the inventory is transferred within the meaning of Topic 606.

### **Principal Gains, Net**

Principal gains, net includes revenues on financial transactions or contracts for which the Company acts as principal. This revenue is reported on a net basis and is primarily outside the scope of ASC 606. Principal gains, net includes margins



generated from OTC derivative trades, equities, fixed income, precious metals, and foreign exchange executed with clients and other counterparties and are recognized on a trade-date basis. Principal gains, net, also includes realized and unrealized gains and losses derived principally from market making activities in OTC derivatives, equities, fixed income, and foreign exchange. Net dealer inventory and investment gains are recognized on a trade-date basis and include realized gains or losses and changes in unrealized gains or losses on investments at fair value. Principal gains, net also includes dividend income on long equity positions and dividend expense on short equity positions, which are recognized on the ex-dividend date.

### Interest Income

Interest income is generated from client funds deposited with the Company to satisfy margin requirements which are held by third-party banks or on deposit with or pledged to exchange-clearing organizations or other FCMs. Interest income is also generated from investing client funds in allowable securities, primarily U.S. Treasury obligations. Interest income is also generated from trading fixed income securities that the Company holds in its market-making businesses. Interest income also includes interest generated from collateralized transactions, including securities borrowed and securities purchased under agreements to resell, and from extending margin loans to clients. Interest income is recognized on an accrual basis and is not within the scope of Topic 606.

### Remaining Performance Obligations

Remaining performance obligations are services that the firm has committed to perform in the future in connection with its contracts with clients. The Company's remaining performance obligations are generally related to its risk management consulting and asset management contracts with clients. Revenues associated with remaining performance obligations related to these contracts with clients are not material to the overall consolidated results of the Company. Similar to the above, risk management consulting contracts are generally for a minimum term of six months and then continue from month to month, but may be terminated at any time after the original six months by either party upon providing written notice. Asset management contracts may be terminated by the client at any time. For the Company's asset management activities, where fees are calculated based on a percentage of the market value of eligible assets in client's accounts, future revenue associated with remaining performance obligations cannot be determined as such fees are subject to fluctuations in the market value of eligible assets in clients' accounts.

### Practical Expedients

The Company has applied Topic 606's practical expedient that permits for the non-disclosure of the value of performance obligations for (i) contracts with an original expected length or one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

The Company has also applied Topic 606's practical expedient that allows for no adjustment to consideration due to a significant financing component if the expectation at contract inception is such that the period between payment by the client and the transfer of the promised goods or services to the client will be one year or less.

### Note 16 – Share-Based Compensation

Share-based compensation expense is included in *Compensation and benefits* in the Consolidated Income Statements and totaled \$13.9 million, \$10.3 million and \$8.1 million for the years ended September 30, 2021, 2020, and 2019, respectively.

### Stock Option Plans

The Company sponsors a stock option plan for its directors, officers, employees and consultants. The 2013 Stock Option Plan, which was approved by the Company's Board of Directors and shareholders, authorizes the Company to issue stock options covering up to 3.0 million shares of the Company's common stock. As of September 30, 2021, there were 1.6 million shares authorized for future grant under this plan. Awards that expire or are canceled generally become available for issuance again under the plan. The Company settles stock option exercises with newly issued shares of common stock.

Fair value is estimated at the grant date based on a Black-Scholes-Merton option-pricing model using the following weighted-average assumptions:

	Year Ended September 30,		
	2021	2020 <sup>(1)</sup>	2019
Expected stock price volatility	38 %	— %	27 %
Expected dividend yield	— %	— %	— %
Risk free interest rate	1.68 %	— %	1.86 %
Average expected life (in years)	4.50	0.00	6.05

<sup>(1)</sup> There were no stock options granted under the plan during the year ended September 30, 2020.

Expected stock price volatility rates are primarily based on historical volatility. The Company has not paid dividends in the past and does not currently expect to do so in the future. Risk free interest rates are based on the U.S. Treasury yield curve in effect at the time of grant for periods corresponding with the expected life of the option or award. The average expected life represents the estimated period of time that options or awards granted are expected to be outstanding, based on the Company's historical share option exercise experience for similar option grants. The weighted average fair value of options issued during the years ended September 30, 2021, 2020, and 2019 was \$19.83, \$0.00, and \$10.47, respectively.

The following is a summary of stock option activity for the year ended September 30, 2021:

	Shares Available for Grant	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value (\$ millions)
Balances as of September 30, 2020	724,483	1,408,036	\$ 38.79	\$ 11.38	4.16	\$ 17.4
Additional shares authorized by shareholders	1,000,000	—				
Granted	(277,700)	277,700	\$ 58.64	\$ 19.83		
Exercised	—	(333,121)	\$ 28.71	\$ 12.74		
Forfeited	122,014	(122,014)	\$ 47.13	\$ 12.22		
Expired	1,001	(1,001)	\$ 41.83	\$ 9.04		
Balances as of September 30, 2021	1,569,798	1,229,600	\$ 45.17	\$ 12.82	4.21	\$ 25.5
Exercisable at September 30, 2021		237,040	\$ 31.83	\$ 11.94	0.56	\$ 8.1

The total compensation cost not yet recognized for non-vested awards of \$9.1 million as of September 30, 2021 has a weighted-average period of 2.15 years over which the compensation expense is expected to be recognized. The total intrinsic value of options exercised during the years ended September 30, 2021, 2020, and 2019 was \$11.7 million, \$4.2 million and \$0.7 million, respectively.

The options outstanding as of September 30, 2021 broken down by exercise price are as follows:

Exercise Price	Number of Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Term (in Years)
\$ — - \$ 5.00	—	n/a	n/a
\$ 5.00 - \$ 10.00	—	n/a	n/a
\$ 10.00 - \$ 15.00	—	n/a	n/a
\$ 15.00 - \$ 20.00	—	n/a	n/a
\$ 20.00 - \$ 25.00	—	n/a	n/a
\$ 25.00 - \$ 30.00	149,706	\$ 25.91	0.37
\$ 30.00 - \$ 35.00	—	n/a	n/a
\$ 35.00 - \$ 40.00	80,729	\$ 39.79	1.37
\$ 40.00 - \$ 45.00	739,315	\$ 44.94	4.92
\$ 45.00 - \$ 50.00	—	n/a	n/a
\$ 50.00 - \$ 55.00	—	n/a	n/a
\$ 55.00 - \$ 60.00	259,850	\$ 58.61	5.27
	1,229,600	\$ 30.75	5.64

### Restricted Stock Plan

The Company sponsors a restricted stock plan for its directors, officers and employees. The Company's 2017 restricted stock plan, which was approved by the Company's Board of Directors and shareholders, authorizes up to 1.5 million shares to be issued. As of September 30, 2021, 0.6 million shares were authorized for future grant under the restricted stock plan. Awards that expire or are canceled generally become available for issuance again under the plan. The Company utilizes newly issued shares of common stock to make restricted stock grants.

The following is a summary of restricted stock activity through September 30, 2021:

	Shares Available for Grant	Number of Shares Outstanding	Weighted Average Grant Date Fair Value	Weighted Average Remaining Term (in years)	Aggregate Intrinsic Value (\$ millions)
Balances as of September 30, 2020	861,454	484,346	\$ 42.97	1.37	\$ 24.8
Granted	(307,204)	307,204	\$ 57.33		
Vested	—	(210,461)	\$ 43.11		
Forfeited	4,048	(4,048)	\$ 41.81		
Balances as of September 30, 2021	558,298	577,041	\$ 50.57	1.26	\$ 38.0

The total compensation cost not yet recognized of \$21.3 million as of September 30, 2021 has a weighted-average period of 1.26 years over which the compensation expense is expected to be recognized. Compensation expense is amortized on a straight-line basis over the vesting period. Restricted stock grants are included in the Company's total issued and outstanding common shares.

## Note 17 – Retirement Plans

### Defined Benefit Retirement Plans

The Company has a frozen qualified defined benefit pension plan (the "Qualified Plan") and a nonqualified defined benefit pension plan (the "Nonqualified Plan"), and recognizes their funded status, measured as the difference between the fair value of the plan assets and the projected benefit obligation, in *Other assets* or *Accounts payable and other accrued liabilities* in the Consolidated Balance Sheets, depending on the funded status of each plan.

The Qualified Plan assets, which are managed in a third-party trust, primarily consist of a diversified blend of approximately 90% debt securities and 10% equity investments and had a total fair value of \$41.5 million and \$40.8 million as of September 30, 2021 and 2020, respectively. All Qualified Plan assets fall within Level 2 of the fair value hierarchy. The benefit obligation associated with the Qualified Plan will vary over time only as a result of changes in market interest rates, the life expectancy of the plan participants, and benefit payments, since the accrual of benefits was suspended when the Qualified Plan was frozen in 2006. The benefit obligation was \$36.3 million and \$38.1 million and the discount rate assumption used in the measurement of this obligation was 2.70% and 2.55% as of September 30, 2021 and 2020, respectively. Related to the Qualified Plan, the Company's net pension obligation was in a funded status of \$5.2 million and \$2.7 million as of September 30, 2021 and 2020, respectively.

The Nonqualified Plan assets had a total fair value of less than \$0.1 million as of September 30, 2021 and 2020. The benefit obligation associated with the Nonqualified Plan will vary over time only as a result of changes in market interest rates, the life expectancy of the plan participants, and benefit payments. There are no active participants in the Nonqualified plan. The benefit obligation was \$1.5 million and \$1.6 million as of September 30, 2021 and 2020, respectively. Related to the Nonqualified Plan, the Company's unfunded pension obligation was \$1.5 million and \$1.6 million as of September 30, 2021 and 2020, respectively.

The Company recognized a net periodic benefit of \$0.3 million, \$0.4 million and \$0.1 million for the years ended September 30, 2021, 2020, and 2019, respectively. The expected long-term return on plan assets assumption was 3.6% for 2021. The Company made contributions of \$0.1 million to the plans in the years ended September 30, 2021 and 2020. The Company complies with minimum funding requirements. The estimated undiscounted future benefit payments are expected to be \$2.1 million in 2022, \$2.1 million in 2023, \$2.2 million in 2024, \$2.2 million in 2025, \$2.1 million in 2026, and \$10.0 million in 2027 through 2031.

### Defined Contribution Retirement Plans

The Company offers participation in the StoneX Group Inc. 401(k) Plan ("401(k) Plan"), a defined contribution plan providing retirement benefits to all domestic full-time non-temporary employees who have reached 21 years of age. Employees may contribute from 1% to 80% of their annual compensation to the 401(k) Plan, limited to a maximum annual amount as set periodically by the Internal Revenue Service. The Company makes matching contributions to the 401(k) Plan in an amount equal to 62.5% of each participant's eligible elective deferral contribution to the 401(k) Plan, up to 8% of employee compensation. Matching contributions vest, by participant, based on the following years of service schedule: less than two years – none, after two years – 33%, after three years – 66%, and after four years – 100%.

U.K. based employees of StoneX Group are eligible to participate in a defined contribution pension plan. The Company contributes double the employee's contribution up to 10% of total base salary for this plan. For this plan, employees are 100% vested in both the employee and employer contributions at all times.

For fiscal years ended September 30, 2021, 2020, and 2019, the Company's contributions to these defined contribution plans were \$15.2 million, \$10.1 million and \$7.5 million, respectively.

#### Note 18 – Other Expenses

Other expenses consisted of the following, for the periods indicated.

(in millions)	Year Ended September 30,		
	2021	2020	2019
Insurance	\$ 7.1	\$ 4.7	\$ 3.4
Office supplies and printing	1.3	1.8	1.9
Other clearing related expenses	4.0	2.8	2.5
Other non-income taxes	14.8	6.6	4.6
Contingent consideration, net	1.1	0.5	—
Other	18.0	13.2	10.8
Total other expenses	\$ 46.3	\$ 29.6	\$ 23.2

#### Note 19 – Recovery of Bad Debt on Physical Coal

During the year ended September 30, 2019, the Company reached settlements with clients, paying \$8.4 million related to demurrage, dead freight, and other penalty charges regarding coal supplied during the year ended September 30, 2017. The settlement amounts paid were less than the accrued liabilities for the transactions recorded during the years ended September 30, 2018 and 2017, and accordingly the Company recorded a recovery on the bad debt on physical coal of \$2.4 million. Additionally, during the year ended September 30, 2019, the Company received \$10.0 million through an insurance policy claim related to the physical coal bad debt, and recorded the insurance proceeds as an additional recovery. The Company presented the bad debt on physical coal and subsequent recoveries separately as a component of income before tax in the Consolidated Income Statements.

During the year ended September 30, 2020, the Company charged off \$35.6 million of receivables against the allowance for doubtful accounts related to the physical coal business as the Company had exhausted all economically sensible means of recovery.

#### Note 20 – Income Taxes

##### *Effects of the Tax Cuts and Jobs Act*

On December 22, 2017, the President of the United States signed and enacted into law H.R. 1, the Tax Cuts and Jobs Act (“the Tax Reform”). Among the significant changes to the U.S. Internal Revenue Code, the Tax Reform lowered the U.S. federal corporate income tax rate from 35% to 21%, effective January 1, 2018. The Company computed its income tax expense for the years ended September 30, 2021, 2020, and 2019 using a U.S. statutory tax rate of 21%.

The Tax Reform also established new tax laws that affected the year ended September 30, 2019, including, but not limited to, (1) elimination of the corporate alternative minimum tax, (2) a new provision designed to tax global intangible low-taxed income (“GILTI”), (3) limitations on the utilization of net operating losses incurred in tax years beginning after September 30, 2018 to 80% of taxable income per tax year, (4) the creation of the base erosion anti-abuse tax (“BEAT”), (5) a general elimination of U.S. federal income taxes on dividends from foreign subsidiaries, and (6) limitations on the deductibility of interest expense and certain executive compensation. The Company made the policy election to treat GILTI as a current period expense when incurred.

##### *Coronavirus Aid, Relief, and Economic Security Act*

On March 27, 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”), which provides economic relief in response to the coronavirus pandemic. The CARES Act, among other things, includes provisions to allow certain net operating losses to be carried-back up to five years, to increase interest deduction limitations, accelerates the refunds of alternative minimum tax credits, and makes technical corrections to tax depreciation methods for qualified leasehold improvement property. The Company evaluated and properly accounted for the provisions of the CARES Act and there was no material impact to the Company's consolidated financial statements.

Income tax expense/(benefit) for the years ended September 30, 2021, 2020, and 2019 was allocated as follows:

(in millions)	Year Ended September 30,		
	2021	2020	2019
Income tax expense attributable to income from operations	\$ 37.8	\$ 37.1	\$ 25.9
Taxes allocated to stockholders' equity, related to pension liabilities	0.5	—	(0.2)
Total income tax expense	\$ 38.3	\$ 37.1	\$ 25.7

The components of income tax expense/(benefit) attributable to income from operations were as follows:

(in millions)	Year Ended September 30,		
	2021	2020	2019
<b>Current taxes:</b>			
U.S. federal	\$ 6.7	\$ (0.6)	\$ (1.9)
U.S. state and local	(0.1)	2.3	(0.8)
Australia	1.8	0.5	—
Brazil	8.0	6.5	5.5
Germany	6.0	3.4	0.1
Singapore	1.9	2.8	—
United Kingdom	6.6	13.9	17.2
Other international	3.7	4.2	2.1
Total current taxes	34.6	33.0	22.2
<b>Deferred taxes:</b>			
U.S. federal	1.4	4.9	1.6
U.S. state and local	2.7	0.6	0.4
Australia	0.3	(0.1)	0.1
Brazil	(1.3)	(1.3)	—
Singapore	0.4	0.8	2.5
United Kingdom	0.1	(0.3)	(0.5)
Other international	(0.4)	(0.5)	(0.4)
Total deferred taxes	3.2	4.1	3.7
Income tax expense	\$ 37.8	\$ 37.1	\$ 25.9

U.S. and international components of income/(loss) from operations, before tax, was as follows:

(in millions)	Year Ended September 30,		
	2021	2020	2019
U.S.	\$ 37.3	\$ 88.8	\$ (2.6)
Australia	7.8	1.4	0.4
Brazil	13.7	7.6	12.6
Germany	17.2	10.4	(0.3)
Singapore	16.0	20.5	22.6
United Kingdom	41.4	58.5	71.5
Other international	20.7	19.5	6.8
Income from operations, before tax	\$ 154.1	\$ 206.7	\$ 111.0

Items accounting for the difference between income taxes computed at the federal statutory rate and income tax expense were as follows:

	Year Ended September 30,		
	2021	2020	2019
Federal statutory rate effect of:	21.0 %	21.0 %	21.0 %
U.S. State and local income taxes	1.8 %	1.2 %	(0.9)%
Foreign earnings and losses taxed at different rates	1.0 %	0.9 %	0.2 %
Change in valuation allowance	1.9 %	1.0 %	0.9 %
Income tax rate holiday	(0.5)%	(0.8)%	0.5 %
U.S. permanent items	(1.2)%	0.6 %	(0.5)%
Non-deductible compensation	1.9 %	0.6 %	0.7 %
Foreign permanent items	(0.2)%	1.1 %	0.2 %
U.S. bargain purchase gain	(0.5)%	(8.3)%	(1.0)%
GILTI	0.6 %	0.7 %	2.2 %
Income tax rate change	(1.2)%	— %	— %
Effective rate	24.6 %	18.0 %	23.3 %

The components of deferred income tax assets and liabilities were as follows:

(in millions)	September 30, 2021	September 30, 2020
Deferred tax assets:		
Share-based compensation	\$ 1.7	\$ 3.1
Deferred compensation	4.7	4.1
Net operating loss carryforwards	17.7	16.2
Intangible assets	6.5	9.9
Bad debt reserve	7.3	4.4
Tax credit carryforwards	—	0.2
Foreign tax credit carryforwards	2.0	2.4
Other compensation	7.0	5.8
Property and equipment	6.3	7.3
Pension	1.2	—
Other	3.1	1.9
Total gross deferred tax assets	57.5	55.3
Less valuation allowance	(15.0)	(12.4)
Deferred tax assets	42.5	42.9
Deferred income tax liabilities:		
Unrealized gain on securities	2.8	2.4
Prepaid expenses	4.2	3.4
Pension liability	—	0.2
Other deferred liabilities	0.4	—
Deferred income tax liabilities	7.4	6.0
Deferred income taxes, net	\$ 35.1	\$ 36.9

Deferred income tax balances reflect the effects of temporary differences between the carrying amounts of assets and liabilities and their tax bases and are stated at enacted tax rates expected to be in effect when taxes are actually paid or recovered.

As of September 30, 2021 and 2020, the Company has net operating loss carryforwards for U.S. federal, state, local, and foreign income tax purposes of \$6.2 million and \$6.9 million, net of valuation allowances, respectively, which are available to offset future taxable income in these jurisdictions. The state and local net operating loss carryforwards of \$3.6 million, net of valuation allowance, begin to expire after September 2022.

The Company also has \$0.6 million, net of valuation allowances, of federal net operating loss carryforwards, which consist of a portion that will expire in tax years ending 2031 through 2036. The remaining portion of the federal net operating loss carryforwards do not expire, but cannot be utilized until after 2037 and are limited by Internal Revenue Code (“IRC”) Section 382. As of September 30, 2021, the Company has \$2.0 million, net of valuation allowance, of foreign net operating loss carryforwards primarily in the United Kingdom, which have an unlimited carryforward period.

As a result of the CARES Act, the AMT credit carryforward was 50% refundable during the year ending September 30, 2019 and the remaining 50% was refundable in the year ended September 30, 2020, to the extent it was not used to offset regular income tax liability. The Company has no remaining foreign tax credit carryforwards, net of valuation allowance, as of September 30, 2021.

The valuation allowance for deferred tax assets as of September 30, 2021 was \$15.0 million. The net change in the total valuation allowance for the year ended September 30, 2021 was an increase of \$2.6 million. Of this amount, \$0.8 million was related to foreign tax credits acquired through the merger with Gain, which are limited by provision of IRC Section 383 and expire in 2023. The Company determined that it shall not have sufficient foreign source income to utilize any remaining foreign tax credits. The remaining increase is related to foreign and state net operating loss carryforwards. The valuation allowances as of September 30, 2021 and 2020 were primarily related to U.S. state and local and foreign net operating loss carryforwards that, in the judgment of management, are not more likely than not to be realized.

The Company does not intend to distribute earnings of its foreign subsidiaries in a taxable manner, and therefore intends to limit distributions to earnings previously taxed in the U.S., or earnings that would qualify for the 100 percent dividends received deduction, and earnings that would not result in any significant foreign taxes. The Company repatriated \$300.6 million and \$30.0 million during the years ended September 30, 2021 and 2020, respectively, of earnings previously taxed in the U.S. resulting in no significant incremental taxes. Therefore, the Company has not recognized a deferred tax liability on its investment in foreign subsidiaries.

The Company had a de minimis balance of unrecognized tax benefits as of September 30, 2021, 2020, and 2019 that, if recognized, would affect the effective tax rate.

Accrued interest and penalties are included in the related tax liability line in the Consolidated Balance Sheets. The Company had no accrued interest and penalties included in the Consolidated Balance Sheets as of September 30, 2021 and 2020.

The Company recognizes accrued interest and penalties related to income taxes as a component of income tax expense. The Company had a de minimis amount of interest, net of federal benefit, and penalties recognized as a component of income tax expense during the years ended September 30, 2021, 2020, and 2019.

The Company and its subsidiaries file income tax returns with the U.S. federal jurisdiction and various U.S. state and local and foreign jurisdictions. The Company has open tax years ranging from September 30, 2014 through September 30, 2021 with U.S. federal and state and local taxing authorities. In the U.K., the Company has open tax years ending September 30, 2019 to September 30, 2021. In Brazil, the Company has open tax years ranging from December 31, 2016 through December 31, 2020. In Argentina, the Company has open tax years ranging from September 30, 2014 to September 30, 2021. In Singapore, the Company has open tax years ranging from September 30, 2016 to September 30, 2021.

#### **Note 21 – Acquisitions**

The Company's consolidated financial statements include the operating results and cash flows of the acquired businesses from the dates of acquisition.

##### **Acquisitions in Fiscal 2021**

###### ***Chasing Returns Ltd.***

On August 3, 2021, the Company's wholly owned subsidiary, StoneX Netherlands B.V., executed and closed on a stock purchase agreement to acquire the majority of stock in Chasing Returns Limited, a Company based in Ireland, which specializes in financial behavioral science designed to assist traders in analyzing trends and decision making. The Company intends to use Chasing Returns Limited to enhance the Company's offerings to its retail clients. The estimated purchase price is approximately \$6.0 million, all of which was excess purchase price over net assets acquired. The Company recognized \$2.4 million in acquired intangible assets, classified as software, and \$3.6 million in goodwill.

###### ***EncoreFx Ltd.***

Effective December 22, 2020, the Company acquired EncoreFx Inc., which is incorporated in the State of Washington, and is registered as a Money Services Business with FinCEN, having 33 state money transmitter licenses and whose primary operations include providing foreign-currency exchange risk management and global payment solutions services to small and medium sized businesses. The terms of the agreement included cash consideration of \$0.9 million. The transaction was accounted for as an asset acquisition. The excess of cash consideration over the asset and liabilities assumed of \$0.5 million was allocated to an indefinite lived intangible asset recognized related to the licenses acquired. The intangible asset has been assigned to the Global Payments reportable segment. Subsequent to the acquisition, the company was renamed as StoneX Payment Services Ltd.

## Acquisitions in Fiscal 2020

### *Gain Capital Holdings, Inc.*

In February 2020, the Company entered into a definitive merger agreement to acquire Gain for \$6.00 per share in an all-cash transaction. The merger closed on July 30, 2020 (“the Gain acquisition date”) subsequent to approval by Gain’s shareholders, approval by regulators, and the completion of customary closing conditions.

#### *Purchase Price*

The aggregate merger consideration was (in millions):

Aggregate cash consideration	\$	215.0
Accrual for merger cash consideration		21.6
Total merger consideration	\$	236.6

Subsequent to the Gain acquisition date, holders of 3.6 million shares of Gain common stock outstanding at the Gain acquisition date who did not vote to approve the merger (“Dissenting Holders”, and the shares held by such Dissenting Holders, the “Dissenting Shares”) purportedly demanded appraisal rights pursuant to Section 262 of the Delaware General Corporation Law in the Court of Chancery of the State of Delaware. The \$21.6 million accrual for merger consideration included in the aggregate merger consideration was based upon 3.6 million Dissenting Shares assuming a right to receive \$6.00 per share at the Gain acquisition date. Any subsequent settlement with the Dissenting Holders will be considered the settlement of a post-acquisition contingency to be included in the Company’s post-acquisition Consolidated Income Statements.

#### *Purchase Price Allocation*

The consolidated financial statements were prepared using the acquisition method of accounting under U.S. GAAP with the Company treated as the acquirer of Gain for accounting purposes. Under the acquisition method of accounting, the aggregate merger consideration was allocated to the assets acquired and liabilities assumed generally based on their fair value at the Gain acquisition date. The Company made significant estimates and assumptions in determination of the fair value of assets acquired and liabilities assumed based upon discussions with management and informed insights into the industries in which Gain operates. These significant estimates and assumptions included, but were not limited to, projected cash flows of the acquired business, client attrition rates, discount rates, royalty rates, and economic lives of the identified assets.

The Company engaged a third party valuation specialist to assist with the assessment of the overall reasonableness of the bargain purchase gain as further discussed below and determination of the fair value of the net identifiable assets acquired. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed is considered final as of September 30, 2021.



The following table summarizes the purchase price allocation as of the Gain acquisition date (in millions):

	<b>Purchase Price Allocation</b>
Cash and cash equivalents	\$ 507.2
Cash, securities and other assets segregated under federal and other regulations	497.4
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties <sup>(1)</sup>	249.7
Receivables from clients, net <sup>(2)</sup>	2.0
Income taxes receivable	0.4
Deferred income taxes, net	23.0
Property and equipment, net	6.1
Right of use assets, net	15.0
Other assets	17.9
Total fair value of tangible assets acquired	1,318.7
Accounts payable and other accrued liabilities	49.4
Operating lease liabilities	15.0
Payable to clients	863.4
Payable to broker-dealers, clearing organizations, and counterparties	0.5
Income taxes payable	12.4
Convertible senior notes <sup>(3)</sup>	92.0
Total fair value of tangible liabilities assumed	1,032.7
Fair value of tangible net assets acquired <sup>(4)</sup>	286.0
Identifiable intangible assets acquired	
Trademarks/domain names <sup>(5)</sup>	3.7
Software programs/platforms <sup>(5)</sup>	22.2
Customer base <sup>(5)</sup>	9.8
Total fair value of intangible assets acquired	35.7
Fair value of identifiable net assets acquired	321.7
Total merger consideration	236.6
Bargain purchase gain	\$ 85.1

<sup>(1)</sup> Amount represented the contractual amount of deposits with and receivables from broker-dealers, clearing organizations, and counterparties considered collectible as of the Gain acquisition date.

<sup>(2)</sup> Amount represented the contractual amount of receivables due from clients for trading activity considered collectible as of the Gain acquisition date.

<sup>(3)</sup> As \$91.5 million of the \$92.0 million in aggregate principal of the Gain Notes were redeemed on September 1, 2020, the Company believed that the face value of the Gain Notes approximated their fair value as of the Gain acquisition date due to the fundamental change right provided for in the Gain Notes indenture. Refer to Note 11 for further discussion of the Gain Notes redemption.

<sup>(4)</sup> With the exception of deferred income taxes and the convertible senior notes, the Company believes that the fair value of the tangible assets acquired and tangible liabilities assumed approximated their carrying values as of the Gain acquisition date due either to their short-term nature, the Company's ability to initiate the withdrawal and settlement of client related trading balances, or the fact that the balances are recorded at fair value on a recurring basis.

<sup>(5)</sup> The trademark/domain names, software programs/platforms, and customer base intangible assets were assigned useful lives of 5 years, 3 years, and 4 years, respectively.

The Company believes that the transaction resulted in a bargain purchase gain primarily due to the significant market volatility experienced during the first calendar quarter of 2020, primarily as a result of the COVID-19 pandemic. The market volatility experienced during 2020 through the Gain acquisition date increased significantly compared to corresponding historical periods. This resulted in Gain generating windfall profits and a corresponding increase in net tangible book value. The bargain purchase gain is included in *Gain on acquisitions and other gains* on the Company's Consolidated Income Statements for the fiscal years ended September 30, 2021 and 2020.

### Post-Acquisition Results and Unaudited Pro Forma Information

Gain's results of operations and cash flows have been included in the Company's consolidated financial statements for the period subsequent to July 31, 2020. For the year ended September 30, 2020, the Company's results include total revenues and net income from Gain of \$49.0 million and \$1.8 million, respectively.

The following unaudited pro forma financial information (in millions, except per share amounts) has been adjusted to give effect to the Gain merger as if it were consummated on October 1, 2018.

	Year Ended September 30, 2020		Year Ended September 30, 2019	
Total revenues	\$	54,414.1	\$	33,160.0
Net income	\$	138.5	\$	38.3
Basic earnings per share	\$	7.17	\$	2.01
Diluted earnings per share	\$	7.02	\$	1.97

The unaudited pro forma financial information includes material, nonrecurring pro forma adjustments directly attributable to the Gain acquisition primarily including the adjustment for a goodwill impairment loss, adjustment for the bargain purchase gain, adjustments to the amortization of intangible assets, and adjustments for direct and incremental acquisition-related costs and the related tax effects. The unaudited pro forma financial information does not include any revenue or cost saving synergies from operating efficiencies or the effect of incremental costs incurred from integrating the companies.

The Company incurred costs related to the merger of \$5.2 million for the year ended September 30, 2020, that are included within *Professional fees* on the Consolidated Income Statement.

The business acquired has been assigned to the Company's Retail and Institutional reportable segments.

#### **UOB Bullion and Futures Limited**

In October 2019, the Company's subsidiary StoneX Financial Pte Ltd completed its acquisition of the futures and options brokerage and clearing business of UOB Bullion and Futures Limited ("UOB"), a subsidiary of United Overseas Bank Limited. Closing. The cash purchase price for the acquired assets was \$5.0 million.

The purchase price allocation resulted in the recognition of liabilities assumed related to the futures and options on futures client account balances of approximately \$351.8 million as of the acquisition date, which was recorded within *Payables to clients* on the Consolidated Balance Sheets, and an equal and offsetting amount of assets acquired. The carrying amount of the client assets and related liabilities was assumed to approximate fair value due to their short-term nature, the Company's ability to initiate the withdrawal and settlement of client related trading balances, and the fact that the open derivative positions are recorded at fair value on a recurring basis.

The Company also acquired certain client base intangible assets and property and equipment in connection with the acquisition. The Company engaged a third-party valuation specialist to assist with the valuation of the acquired intangible assets and property and equipment. As of the acquisition date, \$0.8 million of the purchase price was allocated to the fair value of the property and equipment acquired and \$3.1 million was allocated to the fair value of the client base intangible assets acquired. The remaining excess of the purchase price over the fair value of the net assets acquired of \$1.1 million was allocated to goodwill. The Company believes the goodwill represents the synergies that can be realized from integrating the acquired business into its existing exchange-traded futures and option business. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed was considered final as of September 30, 2020.

The business acquired has been assigned to the Company's Institutional reportable segment. The client base intangible assets were assigned a useful life of 5 years.

UOB's results of operations and cash flows have been included in the Company's consolidated financial statements for the periods subsequent to October 7, 2019. For the year ended September 30, 2020, the Company's results include total revenues and net loss from UOB of \$10.3 million and \$1.4 million, respectively.

#### **Tellimer**

In December 2019, the Company executed a definitive purchase agreement to acquire the brokerage businesses of Tellimer Group ("Tellimer"). This transaction involved the stock purchase of 100% of Exotix Partners, LLP, based in the United Kingdom, and the stock purchase of 100% of Tellimer Capital Ltd based in Nigeria. The closing of this transaction was subject

to limited conditions including regulatory approval in the relevant jurisdictions. The cash purchase price was equal to the net tangible book value of the acquired entities upon closing.

Regulatory approval for the acquisition of Exotix Partners, LLP, was obtained during the period with the acquisition closing on April 1, 2020. The cash purchase price for the acquisition of Exotix Partners, LLP, was \$4.7 million. The allocation of the cash purchase price to the fair value of assets acquired and liabilities assumed resulted in the recognition of \$1.0 million in cash and cash equivalents, \$1.0 million in receivables from clients, net, \$0.3 million in property and equipment, net, \$3.4 million in other assets, and \$1.0 million in liabilities assumed. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed was considered final as of March 31, 2021.

Regulatory approval for the acquisition of Tellimer Capital Ltd was obtained during the period with the acquisition closing on June 1, 2020. The cash purchase price for the acquisition of Tellimer Capital Ltd and the related allocation to the fair value of assets acquired and liabilities assumed was not material to the Company's consolidated financial statements.

Tellimer's results of operations and cash flows have been included in the Company's consolidated financial statements from the date of acquisition. For the year ended September 30, 2020, the Company's results include total revenues and net loss from Tellimer of \$5.9 million and less than \$0.1 million, respectively.

The acquired business have been assigned to the Company's Institutional reportable segment.

### ***IFCM Commodities***

In January 2020, the Company's wholly owned subsidiary, INTL Netherlands B.V., acquired 100% of the equity interests of IFCM Commodities GmbH ("IFCM") based in Germany. The cash purchase price of \$1.9 million was equal to net tangible book value upon closing plus a premium of \$1.0 million. The excess of the cash consideration over the fair value of the net tangible assets acquired on the closing date was allocated to the fair value of IFCM's client relationships. This client base intangible asset was assigned a useful life of five years. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed was considered final as of December 31, 2020.

IFCM's results of operations and cash flows have been included in the Company's consolidated financial statements for the periods subsequent to January 2, 2020. For the year ended September 30, 2020, the Company's results include total revenues and net income from IFCM of \$1.8 million and \$0.5 million, respectively.

### ***GIROXX***

In May 2020, the Company's wholly owned subsidiary, StoneX Financial Ltd, acquired 100% of GIROXX based in Germany. The cash purchase price for the acquisition of GIROXX was \$4.4 million. The allocation of the cash purchase price to the fair value of tangible assets acquired and liabilities assumed resulted in the recognition of cash and cash equivalents of \$6.5 million, property and equipment of \$0.1 million, accounts payables and other accrued liabilities of \$0.6 million, and payables to clients of \$5.8 million as of the acquisition date.

The Company acquired certain identifiable intangible assets in connection with the acquisition of GIROXX, primarily related to a business license permitting the Company to facilitate payment transactions in the European Union and certain proprietary developed software. The Company allocated \$0.4 million and \$1.5 million of the excess purchase price over net tangible assets acquired to the business license and proprietary developed software, respectively. The remaining excess purchase price over the net tangible assets acquired of \$2.3 million was allocated to goodwill. The Company believes the allocation to goodwill represents the synergies that can be realized from integrating the acquired business into its existing Global Payments reportable segment.

The acquired business license has been assigned an indefinite life and the proprietary developed software has been preliminarily assigned a useful life of 3 years. The allocation of the purchase price to the fair value of assets acquired and liabilities assumed was considered final as of June 30, 2021.

GIROXX's results of operations and cash flows have been included in the Company's consolidated financial statements for the period subsequent to May 1, 2020. For the year ended September 30, 2020, the Company's results include total revenues and net loss from GIROXX of \$0.5 million and \$0.6 million, respectively.

The acquired business has been assigned to the Company's Global Payments reportable segment.

### **Asset Acquisitions**

#### ***Quest Capital***

In August 2019, the Company's subsidiary, SA Stone Wealth Management, executed an asset purchase agreement to acquire certain client accounts of Quest Capital Strategies, Inc. The asset purchase agreement was subject to FINRA approval and other conditions to closing. FINRA approval was obtained and the other conditions to closing were fulfilled and the closing of the

transaction occurred on December 9, 2019. The cash purchase price for the acquired client accounts was equal to \$1.7 million. This transaction was accounted for as an asset acquisition at cost. The cash purchase price was allocated to the fair value of the client lists and relationships obtained and has been assigned, and will be amortized, over a useful life of seven years.

#### **Acquisitions in Fiscal 2019**

##### ***Carl Kliem S.A.***

In November 2018, the Company acquired Carl Kliem S.A., an independent interdealer broker based in Luxembourg. The purchase price was \$2.1 million of cash consideration, and was equal to the net tangible book value on the closing date less restructuring costs. The Company subsequently renamed Carl Kliem S.A. to StoneX Financial Europe S.A.

The final purchase price allocation resulted in cash and cash equivalents of \$1.7 million, receivables from clients of \$1.1 million, property and equipment of \$0.1 million, income tax receivables of \$0.1 million, accounts payable and other accrued liabilities of \$0.6 million, and payable to broker-dealers, clearing organizations, and counterparties of \$0.2 million. The net fair value of the assets acquired exceeded the aggregate cash purchase price; accordingly, the Company recorded a bargain purchase gain of \$0.1 million during the year ended September 30, 2019, which is presented within *Gain on acquisitions and other gains* in the Consolidated Income Statement.

The business activities of INTL FCStone Europe S.A. have been included within the Company's Institutional reportable segment. The Company's Consolidated Income Statement for the year ended September 30, 2019 includes operating revenues and a net loss of \$4.2 million and \$2.3 million, respectively, for the post-acquisition results of the acquired business.

##### ***GMP Securities LLC***

In January 2019 the Company acquired the U.S.-based broker-dealer GMP Securities LLC ("GMP"), formerly known as Miller Tabak Securities, LLC, an independent, SEC-registered broker-dealer and Financial Industry Regulatory Authority, Inc. ("FINRA") member.

The purchase price was \$8.2 million of cash consideration was equal to the final net tangible book value determined as of the acquisition date less \$2.0 million. The net fair value of the assets acquired exceeded the aggregate cash purchase price, and accordingly the Company recorded a bargain purchase gain of \$5.4 million during the year ended September 30, 2019, which is presented within *Gain on acquisitions and other gains* in the Consolidated Income Statement. The Company believes the transaction resulted in a bargain purchase gain due to the Company's ability to incorporate GMP's business activities into its existing business structure, and its ability to utilize certain deferred tax assets, including net operating loss carryforwards, and other assets while operating the business that may not have been likely to be realized by the seller nor was contemplated in the purchase price.

In May 2019, GMP was merged into the Company's wholly owned regulated U.S. subsidiary, StoneX Financial Inc. The Company's Consolidated Income Statement includes the post-acquisition results, which include operating revenues and a net loss before tax of \$8.2 million and \$2.1 million, respectively, for the year ended September 30, 2019. The acquired businesses are included within the Company's Institutional reportable segment.

The following represents the final allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed as of the acquisition date (in millions):

	<b>Fair Value</b>
Cash and cash equivalents	\$ 1.1
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties <sup>(1)</sup>	7.7
Financial instruments owned, at fair value <sup>(2)</sup>	7.1
Deferred income taxes	2.7
Property and equipment	0.7
Other assets	0.7
<b>Total fair value of assets acquired</b>	<b>20.0</b>
Accounts payable and other accrued liabilities	1.9
Payable to broker-dealers, clearing organizations, and counterparties	0.1
Financial instruments sold, not yet purchased, at fair value <sup>(2)</sup>	4.4
<b>Total fair value of liabilities assumed</b>	<b>6.4</b>
<b>Fair value of net assets acquired</b>	<b>13.6</b>
Purchase price	8.2
<b>Bargain purchase gain</b>	<b>\$ 5.4</b>

<sup>(1)</sup> Amount represents the contractual amount of deposits and receivables due from the clearing organization for trading activity as of the acquisition date.

<sup>(2)</sup> Financial instruments owned and sold, not yet purchased, at fair value primarily includes equity securities and high yield, convertible and emerging market fixed income securities. Equity securities have been included within Level 1 of the fair value hierarchy and fixed income securities have been included in Level 2 of the fair value hierarchy as disclosed in Note 4.

#### **Coininvest GmbH and European Precious Metal Trading GmbH**

In April 2019, the Company's subsidiary StoneX (Netherlands) B.V. acquired Coininvest GmbH and European Precious Metal Trading GmbH. The purchase price consisted of cash consideration of \$22.0 million, including \$11.2 million for the purchase of shareholders loans outstanding with the acquired entities. The cash consideration transferred exceeded the final fair value of the tangible net assets acquired on the closing date by \$6.8 million.

The Company acquired certain identifiable intangible assets, including website domain names and internally developed software. The Company engaged a third-party valuation specialist to assist with the valuation of these acquired intangible assets. Based upon the final valuation analysis, the Company allocated \$2.1 million and \$2.5 million of the excess consideration over the final fair value of tangible net assets acquired on the closing date to the identifiable domain names and internally developed software, respectively. The remaining excess of \$2.2 million was allocated to goodwill. The goodwill represents the synergies expected to be achieved by combining the acquired business with the Company's existing precious metals offering and the acquired assembled workforce.

The internally developed software was assigned to the Retail reportable segment and is being amortized over a useful life of 5 years. The useful life of the domain names was determined to be indefinite.

The Company's Consolidated Income Statement includes the post-acquisition results, including operating revenues and a net loss before tax of \$0.6 million and \$0.3 million, respectively, for the year ended September 30, 2019. Operating revenues during the year ended September 30, 2019 include unrealized losses on derivatives held to manage the downside price risk of physical commodities inventory, which is valued at the lower of cost or net realizable value; therefore, inventory was not recorded above its cost basis. The acquired businesses are included within the Company's Commercial reportable segment.

The following represents the final allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed as of the acquisition date (in millions):

	<b>Fair Value</b>
Cash and cash equivalents	\$ 2.0
Receivables from clients <sup>(1)</sup>	1.2
Receivable from affiliate	1.1
Income tax receivable	0.1
Physical commodities inventory	9.8
Deferred tax assets, net	0.2
Other assets	1.2
Total fair value of tangible assets acquired	15.6
Accounts payable and other accrued liabilities	0.2
Payables to clients	0.2
Total fair value of tangible liabilities assumed	0.4
<b>Fair value of net tangible assets acquired</b>	<b>15.2</b>
Purchase price	22.0
Excess purchase price over fair value of tangible net assets acquired	\$ 6.8
<b>Excess purchase price over fair value of tangible net assets acquired allocated to identifiable intangible assets:</b>	
Domain names	\$ 2.1
Internally developed software	2.5
Total excess purchase price allocated to identifiable intangible assets	4.6
Remaining excess allocated to goodwill	\$ 2.2

<sup>(1)</sup> Amount represents the contractual amount of receivables due from clients for trading activity, all of which was collected.

#### **Fillmore Advisors, LLC**

In September 2019, the Company acquired the U.S.-based trading firm Fillmore Advisors, LLC (“Fillmore”). The purchase price consisted of \$1.4 million of cash consideration and also included a contingent earn-out with payments over the eight quarters following the acquisition. The contingent earn-out payments are variable in nature and equal to 50% of Segment Income, as defined in the SPA, for each quarterly period. The fair value of the contingent consideration was estimated at \$1.8 million as of the closing date. This contingency was settled during the the year ended September 30, 2021.

The Company acquired certain identifiable intangible assets related to Fillmore’s client base. Based upon the final valuation analysis, the Company has allocated \$0.7 million of the excess consideration over the final fair value of tangible net assets acquired on the closing date to this intangible asset. The remaining excess of \$1.9 million was allocated to goodwill. The goodwill represents the synergies expected to be achieved by combining the acquired business with the Company’s existing prime brokerage offering and the acquired assembled workforce.

The client base intangible asset and goodwill were assigned to the Institutional reportable segment. The client base intangible asset was assigned a useful life of 5 years.

The following represents the final allocation of the purchase price to the fair value of identifiable assets acquired and liabilities assumed as of the acquisition date (in millions):

	<b>Fair Value</b>
Cash and cash equivalents	\$ 0.2
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties	0.3
Receivables from clients, net <sup>(1)</sup>	0.2
Other assets	0.4
Total fair value of tangible assets acquired	1.1
Accounts payable and other accrued liabilities	0.5
Total fair value of tangible liabilities assumed	0.5
Fair value of net tangible assets acquired	0.6
Purchase price <sup>(2)</sup>	3.2
Excess purchase price over fair value of tangible net assets acquired	\$ 2.6
Excess purchase price over fair value of tangible net assets acquired allocated to identifiable intangible assets:	
Client relationships	\$ 0.7
Total excess purchase price allocated to identifiable intangible assets	0.7
Remaining excess allocated to goodwill	\$ 1.9

<sup>(1)</sup> Amount represents the contractual amount of receivables due from clients for trading activity, all of which was collected.

<sup>(2)</sup> Includes the fair value of contingent consideration of \$1.8 million.

## Note 22 – Regulatory Requirements and Subsidiary Dividend Restrictions

The Company’s subsidiary StoneX Financial Inc. is registered as a broker dealer and member of the Financial Industry Regulatory Authority (“FINRA”) subject to the SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital. StoneX Financial Inc. is also a futures commission merchant registered with the CFTC and subject to the net capital requirements of the CFTC Regulation 1.17. Under the more restrictive of these rules, StoneX Financial Inc. is required to maintain “adjusted net capital”, equivalent to the greater of \$1.5 million or 8% of client and non-client risk maintenance margin requirements on all positions, as defined in such rules, regulations, and requirements. Adjusted net capital and the related net capital requirement may fluctuate on a daily basis. StoneX Financial Inc., along with certain regulated affiliates, including Gain Capital Group, LLC and others, has a restriction on dividends. For StoneX Financial Inc. the withdrawing excess capital cannot reduce excess capital, subsequent to haircuts and charges, to an amount less than 120% of the greatest minimum requirement.

The Company’s subsidiary, Gain Capital Group, LLC, is subject to regulation by the CFTC and NFA and is required to maintain specific levels of regulatory capital. As a futures commission merchant and retail foreign exchange dealer, Gain Capital Group, LLC is required to maintain adjusted net capital of the greater of \$1.0 million or 8% of customer and non-customer risk maintenance margin, or \$20.0 million plus 5.0% of the amount of retail customer liabilities over \$10.0 million, plus 10% of all liabilities owed to eligible contract participant counterparties acting as a dealer that are not an affiliate.

StoneX Financial Inc. as a registered securities carrying broker dealer is also subject to Rule 15c3-3 of the Securities Exchange Act of 1934 (“Rule 15c3-3”), which requires the Company to maintain separate accounts for the benefit of securities clients and proprietary accounts of broker dealers (“PABs”). These client protection rules require the Company to maintain special reserve bank accounts (“SRBAs”) for the exclusive benefit of securities clients and PABs. As of September 30, 2021, StoneX Financial Inc. prepared reserve computations for the client accounts and PAB accounts in accordance with the customer reserve computation guidelines set forth in Rule 15c3-3. Based upon these computations, excess of total debits over credits was \$7.4 million as of September 30, 2021. The Company held less than \$1 thousand in customer SRBAs as of September 30, 2021, and withdrew the amount on October 4, 2021. Based upon these computations, the excess of total PAB credits over total PAB debits was \$10.5 million as of September 30, 2021. In the computation, the Company was able to consider the excess debits in the customer reserve formula discussed above, resulting in a PAB reserve requirement of \$3.1 million as of September 30, 2021. The Company held less than \$1 thousand in the PAB SRBA as of September 30, 2021, and made additional deposits of \$8.9 million on October 4, 2021 to meet the PAB segregation and segregated deposit timing requirements of Rule 15c3-3.

Pursuant to the requirements of the Commodity Exchange Act, funds deposited by clients of StoneX Financial Inc. and Gain Capital Group, LLC supporting trading of futures and options on futures on a U.S. commodities exchange must be carried in separate accounts which are designated as segregated client accounts. Pursuant to the requirements of the CFTC, funds

deposited by clients of StoneX Financial Inc. and Gain Capital Group, LLC related to trading futures and options on futures traded on, or subject to the rules of a foreign board of trade, must be carried in separate accounts in, which are designated as secured clients' accounts. As of September 30, 2021, StoneX Financial Inc. had client segregated and client secured funds of \$4,429.8 million and \$216.5 million, respectively, compared to a minimum regulatory requirement of \$4,364.5 million and \$203.1 million, respectively. As of September 30, 2021, Gain Capital Group, LLC had client segregated and client secured funds of \$270.7 million and \$4.0 million, respectively, compared to a minimum regulatory requirement of \$255.6 million and \$2.1 million, respectively.

The Company's subsidiary StoneX Financial Ltd. is regulated by the Financial Conduct Authority ("FCA"), the regulator of the financial services industry in the U.K. The regulations impose regulatory capital, as well as conduct of business, governance, and other requirements. The conduct of business rules include those that govern the treatment of client money and other assets which, under certain circumstances, for certain classes of client, must be segregated from the firm's own assets. As of September 30, 2021, StoneX Financial Ltd. had client segregated funds of \$1,071.8 million, compared to a minimum regulatory requirement of \$1,040.6 million.

StoneX Financial Pte. Ltd. is regulated by the Monetary Authority of Singapore ("MAS") and operates as an approved holder of a Capital Market Services License. StoneX Financial Pte. Ltd. is subject to the requirements of MAS and pursuant to the Securities and Futures Act. The regulations include those that govern the treatment of client money and other assets which under certain circumstances must be segregated from the firm's own assets. As of September 30, 2021, StoneX Financial Pte. Ltd. had client segregated funds of \$413.7 million compared to a minimum regulatory requirement of \$395.3 million.

The following table details the Company's subsidiaries with a minimum regulatory net capital requirement in excess of \$10.0 million as well as the actual regulatory capital of the subsidiary as of September 30, 2021 (in millions):

<b>Subsidiary</b>	<b>Regulatory Authority</b>	<b>Actual</b>	<b>Minimum Requirement</b>
StoneX Financial Inc.	SEC and CFTC	\$ 311.2	\$ 198.9
StoneX Financial Ltd.	FCA	\$ 368.5	\$ 218.4
Gain Capital Group, LLC	CFTC	\$ 49.4	\$ 30.1
StoneX Financial Pte. Ltd.	MAS	\$ 45.4	\$ 15.9

Certain other subsidiaries of the Company, each with a minimum requirement less than \$10.0 million, are also subject to net capital requirements promulgated by authorities in the countries in which they operate. As of September 30, 2021, all of the Company's subsidiaries were in compliance with their local regulatory requirements.

Swap dealers are subject to a comprehensive regulatory regime with new obligations for the swaps activities for which they are registered, including adherence to risk management policies, supervisory procedures, trade record and real time reporting requirements, as well as rules for minimum capital requirements which became effective October 6, 2021. Our subsidiary, StoneX Markets LLC, is a CFTC provisionally registered swap dealer, and under these capital rules, StoneX Markets LLC is subject to a minimum regulatory capital requirement of \$100.0 million.

### **Note 23 – Segment and Geographic Information**

The Company's operating segments are principally based on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, its global payments business. The Company manages its business in this manner due to its large global footprint, in which it has more than 3,200 employees allowing it to serve clients in more than 180 countries.

The Company's business activities are managed as operating segments and organized into reportable segments as follows:

- *Commercial*
- *Institutional*
- *Retail*
- *Global Payments*

#### **Commercial**

The Company offers commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing of exchange-traded and OTC products, voice brokerage, market intelligence and physical trading as well as commodity financing and logistics services. The ability to provide these high-value-added products and services, differentiates the Company from its competitors and maximizes the opportunity to retain clients.

#### **Institutional**



The Company provides institutional clients with a complete suite of equity trading services to help them find liquidity with best execution, consistent liquidity across a robust array of fixed income products, competitive and efficient clearing and execution in all major futures and securities exchanges globally as well as prime brokerage in equities and major foreign currency pairs and swap transactions. In addition, the Company originates, structures and place debt instruments in the international and domestic capital markets. These instruments include asset-backed securities (primarily in Argentina) and domestic municipal securities.

### **Retail**

The Company provides retail clients around the world access to over 15,000 global financial markets, including spot foreign exchange ("forex"), both financial trading and physical investment in precious metals, as well as contracts for difference ("CFDs"), which are investment products with returns linked to the performance of underlying assets. In addition, its independent wealth management business offers a comprehensive product suite to retail investors in the United States.

### **Global Payments**

The Company provides customized foreign exchange and treasury services to banks and commercial businesses as well as charities and non-governmental organizations and government organizations. The Company provides transparent pricing and offers payments services in more than 185 countries and 140 currencies, which it believes is more than any other payments solution provider.

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The total revenues reported combine gross revenues from physical contracts for subsidiaries that are not broker-dealers and net revenues for all other businesses. In order to reflect the way that the Company's management views the results, the table below also reflects the segment contribution to *Operating revenues*, which is shown on the face of the Consolidated Income Statements and which is calculated by deducting physical commodities cost of sales from total revenues.

Segment data includes the profitability measure of net contribution by segment. Net contribution is one of the key measures used by management to assess the performance of each segment and for decisions regarding the allocation of the Company's resources. Net contribution is calculated as revenue less direct cost of sales, transaction-based clearing expenses, variable compensation, introducing broker commissions, and interest expense. Variable compensation paid to risk management consultants/traders generally represents a fixed percentage of revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and an overhead allocation.

Segment data also includes segment income which is calculated as net contribution less non-variable direct expenses of the segment. These non-variable direct expenses include trader base compensation and benefits, operational employee compensation and benefits, communication and data services, business development, professional fees, bad debt expense and other direct expenses.

Inter-segment revenues, expenses, receivables and payables are eliminated upon consolidation.

Total revenues, operating revenues and net operating revenues shown as "Corporate Unallocated" primarily consist of interest income from its centralized corporate treasury function. In the normal course of operations, the Company operates a centralized corporate treasury function in which it may sweep excess cash from certain subsidiaries, where permitted within regulatory limitations, in exchange for a short-term interest bearing intercompany payable, or provide excess cash to subsidiaries in exchange for a short-term interest bearing intercompany receivable in lieu of the subsidiary borrowing on external credit facilities. The intercompany receivables and payables are eliminated during consolidation; however, this practice may impact reported total assets between segments.

Net costs not allocated to operating segments include costs and expenses of certain shared services such as information technology, accounting and treasury, credit and risk, legal and compliance, and human resources and other activities.

Information for the reportable segments is shown in accordance with the Segment Reporting Topic of the ASC as follows:

(in millions)	Year Ended September 30,		
	2021	2020	2019
<b>Total revenues:</b>			
Commercial	\$ 39,884.0	\$ 52,970.1	\$ 32,125.4
Institutional	668.4	624.1	515.0
Retail	1,859.9	432.7	148.1
Global Payments	137.3	117.4	112.8
Corporate Unallocated	1.7	14.6	20.8
Eliminations	(17.1)	(19.3)	(25.1)
<b>Total</b>	<b>\$ 42,534.2</b>	<b>\$ 54,139.6</b>	<b>\$ 32,897.0</b>
<b>Operating revenues:</b>			
Commercial	\$ 534.8	\$ 431.5	\$ 404.4
Institutional	668.4	624.1	515.0
Retail	348.0	140.0	78.2
Global Payments	137.3	117.4	112.8
Corporate Unallocated	1.7	14.6	20.8
Eliminations	(17.1)	(19.3)	(25.1)
<b>Total</b>	<b>\$ 1,673.1</b>	<b>\$ 1,308.3</b>	<b>\$ 1,106.1</b>
<b>Net operating revenues (loss):</b>			
Commercial	\$ 433.1	\$ 353.4	\$ 321.2
Institutional	419.4	363.8	220.1
Retail	222.4	63.8	15.7
Global Payments	129.9	111.5	107.0
Corporate Unallocated	(54.8)	(24.5)	(10.8)
<b>Total</b>	<b>\$ 1,150.0</b>	<b>\$ 868.0</b>	<b>\$ 653.2</b>
<b>Net contribution:</b>			
(Revenues less cost of sales of physical commodities, transaction-based clearing expenses, variable compensation, introducing broker commissions and interest expense)			
Commercial	\$ 299.7	\$ 242.2	\$ 224.6
Institutional	260.9	248.9	157.0
Retail	204.4	58.8	14.6
Global Payments	103.7	89.6	86.6
<b>Total</b>	<b>\$ 868.7</b>	<b>\$ 639.5</b>	<b>\$ 482.8</b>
<b>Segment income (loss):</b>			
(Net contribution less non-variable direct segment costs)			
Commercial <sup>(1)</sup>	\$ 192.2	\$ 141.9	\$ 144.6
Institutional	167.7	152.9	88.6
Retail	67.8	31.7	6.4
Global Payments	78.5	68.6	66.1
<b>Total</b>	<b>\$ 506.2</b>	<b>\$ 395.1</b>	<b>\$ 305.7</b>
<b>Reconciliation of segment income to income before tax:</b>			
Segment income	\$ 506.2	\$ 395.1	\$ 305.7
Net costs not allocated to operating segments	(355.5)	(270.3)	(200.2)
Gain on acquisitions and other gains	3.4	81.9	5.5
<b>Income before tax</b>	<b>\$ 154.1</b>	<b>\$ 206.7</b>	<b>\$ 111.0</b>

<sup>(1)</sup> During fiscal 2019, the Company recorded recoveries of the bad debt on physical coal of \$12.4 million related to a bad debt incurred in the physical coal business with a coal supplier, as further discussed in Note 19.

(in millions)	As of September 30, 2021	As of September 30, 2020	As of September 30, 2019
<b>Total assets:</b>			
Commercial	\$ 3,969.9	\$ 2,753.6	\$ 2,386.4
Institutional	12,403.3	8,740.8	7,111.2
Retail	1,380.9	1,245.9	12.4
Global Payments	243.8	315.9	278.2
Corporate unallocated	841.7	418.7	147.9
<b>Total</b>	<b>\$ 18,839.6</b>	<b>\$ 13,474.9</b>	<b>\$ 9,936.1</b>

Information regarding revenues and operating revenues for the ended September 30, 2021, 2020, and 2019, and information regarding long-lived assets (defined as property, equipment, leasehold improvements and software) as of September 30, 2021, 2020, and 2019 in geographic areas were as follows:

(in millions)	Year Ended September 30,		
	2021	2020	2019
<b>Total revenues:</b>			
United States	\$ 3,313.1	\$ 2,223.3	\$ 1,947.6
Europe	1,889.6	532.6	280.2
South America	64.5	58.9	56.5
Middle East and Asia	37,259.1	51,317.1	30,606.9
Other	7.9	7.7	5.8
Total	\$ 42,534.2	\$ 54,139.6	\$ 32,897.0
<b>Operating revenues:</b>			
United States	\$ 1,157.4	\$ 928.3	\$ 799.4
Europe	371.3	237.9	209.6
South America	64.5	58.9	56.5
Middle East and Asia	72.0	75.5	34.8
Other	7.9	7.7	5.8
Total	\$ 1,673.1	\$ 1,308.3	\$ 1,106.1
<b>(in millions)</b>			
<b>Long-lived assets, as defined:</b>			
United States	\$ 54.1	\$ 55.4	\$ 33.9
Europe	36.0	3.1	6.6
South America	2.1	2.1	2.1
Middle East and Asia	0.9	1.3	1.0
Other	0.2	0.2	0.3
Total	\$ 93.3	\$ 62.1	\$ 43.9

**StoneX Group Inc.**  
**Condensed Balance Sheets**  
**Parent Company Only**

(in millions)		September 30, 2021	September 30, 2020
	<b>ASSETS</b>		
Cash and cash equivalents		\$ 34.7	\$ 7.4
Receivable from clients, net		0.4	0.4
Notes receivable, net		6.1	1.7
Income taxes receivable		63.7	46.2
Investment in subsidiaries <sup>(1)</sup>		1,100.4	834.0
Deferred income taxes, net		2.4	4.3
Property and equipment, net		55.4	42.1
Operating right of use assets		66.3	69.0
Other assets		23.7	20.1
Total assets		<u>\$ 1,353.1</u>	<u>\$ 1,025.2</u>
	<b>LIABILITIES AND EQUITY</b>		
Liabilities:			
Accounts payable and other accrued liabilities		\$ 80.6	\$ 73.4
Operating lease liabilities		86.2	85.4
Payable to clients		—	0.3
Payable to subsidiaries, net		185.0	96.5
Payable to lenders under loans		8.6	23.0
Senior secured borrowings, net		506.5	515.1
Financial instruments sold, not yet purchased, at fair value		0.9	1.1
Total liabilities		<u>867.8</u>	<u>794.8</u>
Equity:			
StoneX Group Inc. (Parent Company Only) stockholders' equity:			
Preferred stock, \$0.01 par value. Authorized 1,000,000 shares; no shares issued or outstanding		—	—
Common stock, \$0.01 par value. Authorized 30,000,000 shares; 22,431,233 issued and 19,823,910 outstanding at September 30, 2021 and 21,798,551 issued and 19,376,594 outstanding at September 30, 2020		0.2	0.2
Common stock in treasury, at cost - 2,607,323 shares at September 30, 2021 and 2,421,957 shares at September 30, 2020		(69.3)	(57.6)
Additional paid-in capital		315.7	292.6
Retained earnings <sup>(1)</sup>		238.7	(4.8)
Total StoneX Group Inc. (Parent Company Only) stockholders' equity		<u>485.3</u>	<u>230.4</u>
Total liabilities and equity		<u>\$ 1,353.1</u>	<u>\$ 1,025.2</u>

<sup>(1)</sup> Within the Condensed Balance Sheets and Condensed Statements of Operations of StoneX Group Inc. - Parent Company Only, the Company has accounted for its investment in wholly owned subsidiaries using the cost method of accounting. Under this method, the Company's share of the earnings or losses of such subsidiaries is not included in the Condensed Balance Sheet or Condensed Statements of Operations. If the accounting for its investment in wholly owned subsidiaries was presented under the equity method of accounting, investment in subsidiaries and retained earnings would each increase by \$443.8 million as of September 30, 2021, respectively, and \$577.2 million, as of September 30, 2020, respectively.

**StoneX Group Inc.**  
**Condensed Statements of Operations**  
**Parent Company Only**

(in millions)	Year Ended September 30,		
	2021	2020	2019
<b>Revenues:</b>			
Management fees from affiliates	\$ 52.5	\$ 45.1	\$ 43.2
Trading (losses)/gains, net	(0.1)	0.6	—
Consulting fees	0.3	0.3	0.1
Interest income	1.5	2.4	1.5
Dividend income from subsidiaries <sup>(1)</sup>	372.7	111.8	85.7
Total revenues	426.9	160.2	130.5
Interest expense	49.6	30.0	19.7
Net revenues	377.3	130.2	110.8
<b>Non-interest expenses:</b>			
Compensation and benefits	99.9	88.0	79.7
Clearing and related expenses	0.4	0.3	0.9
Trade systems and market information	6.0	3.9	6.4
Occupancy and equipment rental	8.7	3.8	3.4
Professional fees	6.9	12.9	7.3
Travel and business development	0.8	1.7	2.9
Non-trading technology and support	24.9	19.8	12.5
Depreciation and amortization	8.7	6.7	5.2
Communications	1.7	0.7	0.8
Impairment	0.1	2.5	—
Management services fees to affiliates	3.6	2.3	0.5
Other	9.3	10.8	5.8
Total non-interest expenses	171.0	153.4	125.4
Gain on acquisitions	3.4	81.9	5.3
Income (loss) before tax	209.7	58.7	(9.3)
Income tax benefit	33.8	29.5	24.6
Net income	\$ 243.5	\$ 88.2	\$ 15.3

<sup>(1)</sup> Within the Condensed Balance Sheets and Condensed Statements of Operations of StoneX Group Inc. - Parent Company Only, the Company has accounted for its investment in wholly owned subsidiaries using the cost method of accounting. Under this method, the Company's share of the earnings or losses of such subsidiaries is not included in the Condensed Balance Sheet or Condensed Statements of Operations. If the accounting for its investment in wholly owned subsidiaries was presented under the equity method of accounting, total revenues would also include subsidiary (losses)/earnings of \$(127.2) million, \$81.4 million, and \$69.8 million for the years ended September 30, 2021, 2020, and 2019, respectively.

**StoneX Group Inc.**  
**Condensed Statements of Cash Flows**  
**Parent Company Only**

(in millions)	Year Ended September 30,		
	2021	2020	2019
<b>Cash flows from operating activities:</b>			
Net income	\$ 243.5	\$ 88.2	\$ 15.3
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>			
Depreciation and amortization	8.7	6.7	5.2
Amortization of operating right of use assets	6.1	4.4	—
Deferred income taxes	1.8	—	0.6
Amortization and extinguishment of debt issuance costs	3.3	6.1	1.2
Loss on extinguishment of debt	0.1	—	—
Amortization of share-based compensation expense	12.9	9.2	7.1
Dividends	(125.0)	—	—
Impairment	—	2.5	—
Gain on acquisition	(3.3)	(81.9)	(5.4)
<b>Changes in operating assets and liabilities:</b>			
Due to/from subsidiaries	118.3	149.3	8.3
Receivables from clients, net	—	0.1	(0.5)
Notes receivable, net	(4.4)	1.1	(1.0)
Income taxes receivable	(17.4)	(48.4)	(0.8)
Financial instruments owned, at fair value	—	—	4.4
Other assets	(4.2)	(7.7)	(4.4)
Accounts payable and other accrued liabilities	12.7	24.0	4.6
Operating lease liabilities	(2.6)	(2.8)	—
Payable to clients	(0.3)	—	(1.4)
Financial instruments sold, not yet purchased, at fair value	(0.2)	(83.4)	25.2
Net cash provided by operating activities	250.0	67.4	58.4
<b>Cash flows from investing activities:</b>			
Capital contribution to affiliates	(170.2)	(251.9)	(75.8)
Purchase of property and equipment	(22.0)	(10.2)	(6.2)
Net cash used in investing activities	(192.2)	(262.1)	(82.0)
<b>Cash flows from financing activities:</b>			
Net change in lenders under loans	(23.4)	(47.0)	(138.2)
Payments of notes payable	—	(0.4)	(0.8)
Proceeds from issuance of senior secured term loan	—	21.5	175.0
Repayments of senior secured term loan	(9.8)	(9.8)	(6.6)
Proceeds from issuance of senior secured notes	—	344.8	—
Repayments of senior secured notes	(1.6)	(92.1)	—
Issuance of note payable	9.0	—	—
Deferred payments on acquisitions	(2.2)	(0.9)	—
Share repurchase	(11.7)	(7.5)	(3.8)
Debt issuance costs	—	(14.0)	(3.0)
Exercise of stock options	9.2	5.5	1.2
Net cash (used in)/provided by financing activities	(30.5)	200.1	23.8
Net increase in cash and cash equivalents	27.3	5.4	0.2
Cash and cash equivalents at beginning of period	7.4	2.0	1.8
Cash and cash equivalents at end of period	\$ 34.7	\$ 7.4	\$ 2.0
<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 28.5	\$ 15.3	\$ 18.9
Income taxes paid/(received), net of cash refunds	\$ 9.8	\$ (4.3)	\$ (23.9)
<b>Supplemental disclosure of non-cash investing and financing activities:</b>			
Additional consideration payable related to acquisitions	\$ —	\$ 21.6	\$ 1.8

**Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

**(a) Evaluation of Disclosure Controls and Procedures**

In connection with the filing of this Form 10-K, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of September 30, 2021. We seek to design our disclosure controls and procedures to provide reasonable assurance that the reports we file or submit under the Exchange Act contain the required information and that we submit these reports within the time periods specified in SEC rules and forms. We also seek to design these controls and procedures to ensure that we accumulate and communicate correct information to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of September 30, 2021.

**(b) Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f) and 15d-15(f). Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). Our internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

There are limitations inherent in any internal control, such as the possibility of human error and the circumvention or overriding of controls. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met, and may not prevent or detect misstatements. As conditions change over time, so too may the effectiveness of internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

Management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the Company's internal control over financial reporting as of September 30, 2021, based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission.

Management's assessment of the effectiveness of the Company's internal control over financial reporting as of September 30, 2021 excluded StoneX Payment Services Ltd., formerly EncoreFx Ltd., acquired with effect from December 22, 2020, and Chasing Returns Limited, acquired with effect from August 3, 2021. These acquired businesses had aggregate total assets of \$8.0 million and total revenues of \$0.6 million included in the Company's consolidated financial statements as of and for the year ended September 30, 2021.

Based on its assessment, management has concluded that our internal control over financial reporting was effective as of September 30, 2021.

KPMG LLP, an independent registered public accounting firm, was engaged to audit the effectiveness of our internal control over financial reporting as of September 30, 2021 and has issued an audit report regarding their assessment of the effectiveness of internal control over financial reporting which is included on page 71 in this Annual Report on Form 10-K.

**(c) Changes in Internal Control Over Financial Reporting**

During the quarter ended September 30, 2021, the Company migrated a significant component of its subsidiaries to a different accounting system. Management implemented data migration, onboarding, and post go-live controls over the new system. The rigor around the migrations allows management to conclude that this does not present an issue with internal control over financial reporting.

**Item 9B. Other Information**

None.

**PART III****Item 10. Directors, Executive Officers and Corporate Governance**

We will include a list of our executive officers and biographical and other information about them and our directors in the definitive Proxy Statement for our 2022 Annual Meeting of Stockholders to be held on March 2, 2022. We will file the proxy within 120 days of the end of our fiscal year ended September 30, 2021 (the “2022 Proxy Statement”). The 2022 Proxy Statement is incorporated herein by reference. Information about our Audit Committee may be found in the Proxy Statement. That information is incorporated herein by reference.

We adopted a code of ethics that applies to the directors, officers and employees of the Company and each of its subsidiaries. The code of ethics is publicly available on our website at <https://ir.stonex.com/corporate-governance>. If we make any substantive amendments to the code of ethics or grant any waiver, including any implicit waiver, from a provision of the code to our Chief Executive Officer, Chief Financial Officer, or Chief Accounting Officer, we will disclose the nature of the amendment or waiver on that website or in a report on Form 8-K.

**Item 11. Executive Compensation**

We will include information relating to our executive officer and director compensation and the compensation committee of our board of directors in the 2022 Proxy Statement and is incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

We will include information relating to security ownership of certain beneficial owners of our common stock and information relating to the security ownership of our management in the 2022 Proxy Statement and is incorporated herein by reference.

The following table provides information generally as of September 30, 2021, the last day of fiscal 2021, regarding securities to be issued on exercise of stock options, and securities remaining available for issuance under our equity compensation plans that were in effect during fiscal 2021.

<u>Plan Category</u>	<u>Number of securities to be issued upon exercise of outstanding options, warrants and rights</u>	<u>Weighted average exercise price of outstanding options, warrants and rights</u>	<u>Number of securities remaining available for future issuance under equity compensation plans</u>
Equity compensation plans approved by stockholders	1,229,600	\$ 45.17	1,569,798
Equity compensation plans not approved by stockholders	—	—	—
Total	1,229,600	\$ 37.59	1,569,798

**Item 13. Certain Relationships and Related Transactions, and Director Independence**

We will include information regarding certain relationships and related transactions and director independence in the 2022 Proxy Statement and is incorporated herein by reference.

**Item 14. Principal Accountant Fees and Services**

Information regarding principal accountant fees and services will be included in the 2022 Proxy Statement and is incorporated herein by reference.



**PART IV**

**Item 15. Exhibits**

- 2.1 [Agreement and Plan of Merger, dated as of February 26, 2020, by and among the Company, Merger Sub and GCAP \(incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed by the Company on February 27, 2020\).](#)
- 3.1 [Amended and Restated Certificate of Incorporation \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on October 8, 2009\).](#)
- 3.2 [Amended and Restated By-laws \(incorporated by reference from the Company's Quarterly Report on Form 10-Q filed with the SEC on August 14, 2007\).](#)
- 3.3 [Certificate of Amendment of Certificate of Incorporation \(incorporated by reference from the Company's Form 10-Q filed with the SEC on August 6, 2020\).](#)
- 4.1 [International Assets Holding Corporation 2003 Stock Option Plan \(incorporated by reference from the Company's Proxy Statement on Schedule 14A filed on January 14, 2003\).](#)
- 4.2 [Amendment to International Assets Holding Corporation 2003 Stock Option Plan \(incorporated by reference from the Company's Proxy Statement on Form 14A filed with the SEC on February 11, 2004\).](#)
- 4.3 [Amendment to International Assets Holding Corporation 2003 Stock Option Plan \(incorporated by reference from the Company's Proxy Statement on Form 14A filed with the SEC on January 23, 2006\).](#)
- 4.4 [Description of Registrant's Securities \\*](#)
- 4.5 [Indenture by and among the Company, the guarantors party thereto from time to time and The Bank of New York Mellon, as trustee and collateral agent, dated as of June 11, 2020 \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on June 11, 2020\).](#)
- 4.6 [Form of 8.625% Senior Secured Notes due 2025 \(included in Exhibit 4.1\) \(incorporated by reference from the Company's Current Report on Report 8-K filed with the SEC on June 11, 2020\).](#)
- 4.7 [First Supplemental Indenture, dated as of July 31, 2020, by and among the Company, the Guaranteeing Subsidiaries and the Trustee and Collateral Agent \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on July 31, 2020\).](#)
- 4.8 [Security and Pledge Agreement, dated as of July 31, 2020, by and among the Company, the Domestic Guaranteeing Subsidiaries and the Collateral Agent \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on July 31, 2020\).](#)
- 4.9 [Joinder to the Amended and Restated Credit Agreement, dated as of July 31, 2020, by and among the GAIN Guaranteeing Subsidiaries and the Administrative Agent \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on July 31, 2020\).](#)
- 10.1 [Registration Rights Agreement, dated October 22, 2002, by and between the Company, and Sean O'Connor \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on October 24, 2002\).](#)
- 10.2 [First Amendment to Registration Rights Agreement, dated December 6, 2002, by and between the Company and Sean O'Connor \(incorporated by reference from the Company's Form 8-K filed with the SEC on December 10, 2002\).](#)
- 10.3 [Registration Rights Agreement, dated October 22, 2002, by and between the Company and John Radziwill \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on October 24, 2002\).](#)
- 10.4 [First Amendment to Registration Rights Agreement, dated December 6, 2002, by and between the Company and John Radziwill \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on December 10, 2002\).](#)
- 10.5 [Farmers Commodities Corporation Supplemental Nonqualified Pension Plan \(incorporated by reference from Amendment No. 2 to the Registration Statement on Form S-4 filed by FCStone Group, Inc. with the SEC on December 9, 2004\)](#)
- 10.6 [Form of Director Indemnification Agreement \(incorporated by reference from Amendment No. 3 to the Registration Statement on Form S-4 filed by FCStone Group, Inc. with the SEC on December 30, 2004\)](#)
- 10.7 [INTL FCStone Inc. 2016 Long-Term Performance Incentive Plan \(incorporated by reference from the Company's Proxy Statement on Form 14A filed with the SEC on January 15, 2016\).](#)
- 10.8 [StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan \\*](#)
- 10.9 [StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan Option Award Agreement \\*](#)
- 10.10 [StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan Restricted Stock Award Agreement \\*](#)
- 10.11 [StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan Long Term Incentive Performance-Based Cash Compensation Award Agreement \\*](#)
- 10.12 [StoneX Group Inc. 2021 Executive Performance Plan \\*](#)
- 10.13 [StoneX Group Inc. Clawback Policy \\*](#)

- 10.14 [Amended and Restated Credit Agreement made as of February 22, 2019 by and between INTL FCStone Inc. as Borrower, Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, Bank of America Merrill Lynch and Capital One, National Association, as Joint Lead Arrangers and Joint Bookrunners, and Signature Bank, BMO Harris Bank N.A., BankUnited, N.A., CIBC Bank USA, Barclays Bank PLC, Cadence Bank, N.A., The Huntington National Bank, Webster Bank, National Association, and TriState Capital Bank, as additional Lenders, and with the lenders from time to time parties thereto. \(incorporated by reference from the Company's Report on Form 8-K filed with the SEC on February 27, 2019\).](#)
- 10.15 [Lender Joinder Agreement dated as of October 3, 2019, to the Amended and Restated Credit Agreement, dated as of February 22, 2019 by and between INTL FCStone Inc. as Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, by and among Bank of Hope, as New Lender, INTL FCStone Inc., as Borrower, and Bank of America, N.A., as Administrative Agent. \\*](#)
- 10.16 [Lender Joinder Agreement dated as of November 20, 2019, to the Amended and Restated Credit Agreement, dated as of February 22, 2019 by and between INTL FCStone Inc. as Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, by and among Investors Bank, as New Lender, INTL FCStone Inc., as Borrower, and Bank of America, N.A., as Administrative Agent. \\*](#)
- 10.17 [Fifth Amendment dated as of June 18, 2021, to the Amended and Restated Credit Agreement, dated as of February 22, 2019 by and between StoneX Group Inc. \(f/k/a INTL FCStone Inc.\) as Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent. \\*](#)
- 10.18 [Amended and Restated Credit Agreement, made as of June 21, 2010, by and between FCStone, LLC, as borrower, FCStone Group, Inc., as a guarantor, International Assets Holding Corporation, as a guarantor, Bank of Montreal, as administrative agent, BMO Capital Markets, as Sole Lead Arranger, and the lenders party thereto \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on June 24, 2010\).](#)
- 10.19 [Loan Authorization Agreement entered into as of May 5, 2015, by and between FCStone, LLC, as Borrower, and BMO Harris Bank N.A., as Bank \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on May 8, 2015\).](#)
- 10.20 [Reaffirmation and Assumption entered into as of June 30, 2015 with BMO Harris Bank N.A. \(incorporated by reference from the Company's Current Report on Form 8-K filed with the SEC on July 7, 2015\).](#)
- 10.21 [Eighteenth Amendment to Amended and Restated Credit Agreement entered into as of April 2, 2021 with Bank of Montreal, as Administrative Agent, and BMO Harris Financing, Inc., as a lender party thereto. \\*](#)
- 10.22 [Second Amended and Restated Credit Agreement, entered into as of January 29, 2020, by and among FCStone Merchant Services, LLC, as Borrower, INTL FCStone Inc., as Guarantor, the several financial institutions from time to time party to this Agreement, as Lenders, and COÖPERATIEVE RABOBANK U.A., NEW YORK BRANCH, as Administrative Agent.](#)
- 10.23 [Amended and Restated Credit Agreement, made as of November 18, 2021, by and among StoneX Financial Ltd, as Borrower, StoneX Group Inc., as Guarantor, the financial institutions from time to time party to this Agreement, as Lenders, and Barclays Bank PLC, as Administrative Agent. \\*](#)
- 10.24 [License Agreement, dated August 9, 2007, by and between GAIN Capital Group, LLC and MetaQuotes Software Corp.](#)
- 10.25 [Form of Indemnification Agreement with Gain Capital Holdings Inc.'s Non-Employee Directors.](#)
  - 14 [StoneX Group Inc. Code of Ethics \\*](#)
  - 21 [List of the Company's subsidiaries. \\*](#)
  - 23.1 [Consent of KPMG LLP \\*](#)
  - 31.1 [Certification of Chief Executive Officer, pursuant to Rule 13a—14\(a\). \\*](#)
  - 31.2 [Certification of Chief Financial Officer, pursuant to Rule 13a—14\(a\). \\*](#)
  - 32.1 [Certification of Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. \\*](#)
  - 32.2 [Certification of Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. \\*](#)
- 101.INS Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
- 101.SCH Inline XBRL Taxonomy Extension Schema Document
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase Document
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase Document
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase Document

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

\* Filed as part of this report.

*Schedules and Exhibits Excluded*

All schedules and exhibits not included are not applicable, not required or would contain information which is included in the Consolidated Financial Statements, Summary of Significant Accounting Policies, or the Notes to the Consolidated Financial Statements.

## Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

StoneX Group Inc.

/s/ SEAN M. O'CONNOR

**Sean M. O'Connor**  
**Chief Executive Officer**

Dated: November 29, 2021

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ JOHN RADZIWILL</u> <b>John Radziwill</b>	Director and Chairman of the Board	November 29, 2021
<u>/s/ SEAN M. O'CONNOR</u> <b>Sean M. O'Connor</b>	Director, President and Chief Executive Officer <b>(Principal Executive Officer)</b>	November 29, 2021
<u>/s/ ANNABELLE G. BEXIGA</u> <b>Annabelle G. Bexiga</b>	Director	November 29, 2021
<u>/s/ SCOTT J. BRANCH</u> <b>Scott J. Branch</b>	Director	November 29, 2021
<u>/s/ DIANE L. COOPER</u> <b>Diane L. Cooper</b>	Director	November 29, 2021
<u>/s/ JOHN M. FOWLER</u> <b>John M. Fowler</b>	Director	November 29, 2021
<u>/s/ STEVEN KASS</u> <b>Steven Kass</b>	Director	November 29, 2021
<u>/s/ BRUCE KREHBIEL</u> <b>Bruce Krehbiel</b>	Director	November 29, 2021
<u>/s/ ERIC PARTHMORE</u> <b>Eric Parthemore</b>	Director	November 29, 2021
<u>/s/ DHAMU THAMODARAN</u> <b>Dhamu Thamodaran</b>	Director	November 29, 2021
<u>/s/ WILLIAM J. DUNAWAY</u> <b>William J. Dunaway</b>	Chief Financial Officer <b>(Principal Financial and Accounting Officer)</b>	November 29, 2021

## DESCRIPTION OF REGISTRANT'S SECURITIES

As of November 29, 2021, StoneX Group Inc., a Delaware corporation (hereinafter, the "Company"), had one class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act of 1934, as amended: Common Stock, par value \$0.01 per share (the "Common Stock"). The following summary includes a brief description of the Common Stock, as well as certain related additional information.

**General.** The Company has authority to issue 30,000,000 shares of Common Stock, and 1,000,000 shares of preferred stock, par value \$0.01 per share (the "Preferred Stock"), issuable in one or more series from time to time by resolution of the Company's Board of Directors (the "Board").

**Voting Rights.** Holders of Common Stock are entitled to one vote for each share held of record and are vested with all of the voting power, except as the Board may provide in the future with respect to any class or series of Preferred Stock that it may authorize in the future. Any action to be taken at a meeting of the stockholders may be taken without a meeting by written consent.

**Dividend Rights.** Holders of Common Stock are entitled to receive dividends when, as, and if declared by the Board out of any funds legally available for dividends, subject to the preferences applicable to any shares of Preferred Stock outstanding at the time.

**No Preemption, Conversion or Redemption Rights; No Sinking Fund Provisions.** Shares of Common Stock are not redeemable and have no subscription, conversion or preemption rights. There are no sinking fund provisions.

**Right to Receive Liquidation Distributions.** Holders of Common Stock are entitled, upon liquidation, to share ratably in all assets remaining after payment of liabilities.

**Anti-Takeover Effects of the Certificate of Incorporation and Bylaws.** The provisions of the Company's Certificate of Incorporation, as amended (the "Certificate of Incorporation") and Amended and Restated Bylaws (the "Bylaws") described below may have the effect of delaying, deferring or preventing a change in control of the Company:

- Board may adopt, amend or repeal bylaws without stockholder approval;
- the Bylaws specify advance notice procedures that stockholders must follow in order to bring business at an annual or special meeting of stockholders, and proxy access procedures for director nominations at annual meetings;
- the Bylaws provide that the Secretary of the Company shall call a special meeting of stockholders upon the written request of a stockholder, or group of stockholders, owning not less than 20% of the outstanding capital stock of the Company, provided that the stockholder or stockholders satisfy the procedural requirements specified in the Bylaws;
- the Bylaws otherwise limit the ability to call special meetings of stockholders to the President or a majority of the Board;
- vacancies on the Board can be filled by a majority vote of the remaining members of the Board, even where less than a quorum, or by decision of a sole remaining director, or, upon application by a stockholder or stockholders holding at least 10% of the shares currently outstanding to the Court of Chancery, by a vote of the stockholders required for the election of directors generally, if the remaining members of the Board constitute less than a majority of the Board;
- the Board is authorized to issue Preferred Stock without stockholder approval; and
- the Company is incorporated in Delaware and is thus subject to the provisions of the General Corporation Law of the State of Delaware (the "DGCL"), including Section 203 of the DGCL regarding business combinations with an interested stockholder.

*The foregoing summary does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Certificate of Incorporation and Bylaws. For additional information we encourage you to read the Certificate of Incorporation and Bylaws, including amendments, all of which are exhibits to the Company's Annual Report on Form 10-K, and applicable provisions of the DGCL.*

## STONEX GROUP INC.

### 2021 OMNIBUS INCENTIVE COMPENSATION PLAN

Effective as of May 21, 2021 (the “Effective Date”), the StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan (the “Plan”) is hereby established as a successor to the following plans: (i) the INTL FCStone Inc. 2013 Stock Option Plan, (ii) the INTL FCStone Inc. 2017 Restricted Stock Plan and (iii) the INTL FCStone Inc. 2016 Long-Term Performance Incentive Plan (together, the “Prior Plans”).

The Prior Plans are hereby merged with and into the Plan effective as of the Effective Date, and no additional grants shall be made thereafter under the Prior Plans. Outstanding grants under the Prior Plans shall continue in effect according to their terms as in effect before the Plan merger (subject to such amendments as the Committee (as defined below) determines, consistent with the Prior Plans, as applicable), and any shares with respect to outstanding grants under Prior Plans shall be issued or transferred under the Plan. The establishment of the Plan is intended to qualify as an amendment of the Prior Plans in a manner that complies with the listing requirements of The Nasdaq Stock Market, including Rule 5635(c).

The purpose of the Plan is to further align the interests of officers, directors, employees and consultants of StoneX Group Inc. (the “Company”) and its subsidiaries with those of the shareholders by providing the opportunity to receive certain incentive compensation opportunities under the Plan. The Company believes that the Plan will encourage the participants to contribute materially to the growth of the Company, thereby benefiting the Company’s stockholders, and will align the economic interests of the participants with those of the stockholders. The Plan shall be effective upon its adoption by the Board of Directors of the Company (the “Board”).

#### **Section 1. Definitions**

The following terms shall have the meanings set forth below for purposes of the Plan:

(a) “Cause” shall mean, except to the extent otherwise set forth in a Grant Instrument or an employment or service contract between the Participant and the Employer, a finding by the Committee that the Participant has (i) materially breached his or her employment or service contract with the Employer, or any other written non-competition, non-solicitation, invention assignment or confidentiality agreement between the Participant and the Employer, (ii) engaged in gross negligence (other than as a result of Disability or occurring after the Participant’s provision of notice in connection with a resignation for Good Reason) or willful misconduct in carrying out his or her duties, resulting in material injury to the Company, monetarily or otherwise, (iii) materially breached any fiduciary obligations as an officer of the Company, or (iv) been convicted by a court of law of, or entered of a pleading of guilty or *nolo contendere* with respect to, a felony or any other crime for which fraud or dishonesty is a material element, excluding traffic violations.

For purposes of determining Cause, no act or omission by the Grantee shall be considered “willful” unless it is done or omitted in bad faith or without reasonable belief that the Grantee’s action or omission was in the best interests of the Company. Any act or failure to act based upon: (a) authority given pursuant to a resolution duly adopted by the Board, or (b) advice of counsel for the Company,

shall be conclusively presumed to be done or omitted to be done by the Grantee in good faith and in the best interests of the Company. In addition, as to items (i)-(iii) above, if the action or inaction in question is susceptible of a cure, then no finding of Cause shall occur prior to written notice to the Grantee setting forth in reasonable detail the action or inaction at issue, and the Grantee's failure to cure such condition following a cure period of no less than fifteen (15) days.

(b) "Change of Control" shall mean, except to the extent otherwise set forth in a Grant Instrument, a (i) Change in Ownership of the Company, (ii) Change in Effective Control of the Company, (iii) Change in the Ownership of Assets of the Company, or (iv) a Merger, in the case of each of clauses (i), (ii), (iii) and (iv), as described herein and construed in accordance with Section 409A of the Code, or (v) a liquidation or dissolution of the Company; except that no Change of Control shall be deemed to occur as a result of a change of ownership resulting from the death of a stockholder or a transaction in which the Company becomes a subsidiary of another corporation and in which the stockholders of the Company, immediately prior to the transaction, will beneficially own, immediately after the transaction, shares entitling such stockholders to more than 50% of all votes to which all stockholders of the parent corporation would be entitled in the election of directors (without consideration of the rights of any class of stock to elect directors by a separate class vote).

(i) A "Change in Ownership of the Company" shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire, ownership of the capital stock of the Company that, together with the stock previously held by such Person or Group, constitutes more than 50% of the total fair market value or total voting power of the capital stock of the Company. However, if any one Person is, or Persons Acting as a Group are, considered to own more than 50% of the total fair market value or total voting power of the capital stock of the Company, the acquisition of additional stock by the same Person or Persons Acting as a Group is not considered to cause a Change in Ownership of the Company or to cause a Change in Effective Control of the Company (as described below). An increase in the percentage of capital stock owned by any one Person, or Persons Acting as a Group, as a result of a transaction in which the Company acquires its stock in exchange for property will be treated as an acquisition of stock.

(ii) A "Change in Effective Control of the Company" shall occur if, in any twelve-month period, (A) a Person, or Persons Acting as a Group, acquires ownership of capital stock of the Company possessing 30% or more of the total voting power of the capital stock of the Company, or (B) a majority of the members of the Board are not Continuing Directors. "Continuing Directors" means, as of any date of determination, any member of the Board who (1) was a member of the Board on the Effective Date or (2) was nominated for election, elected or appointed to the Board with the approval of a majority of the Continuing Directors who were members of the Board at the time of such nomination, election or appointment (either by a specific vote or by approval of the Company's proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

(iii) A "Change in the Ownership of Assets of the Company" shall occur on the date that any one Person acquires, or Persons Acting as a Group acquire (or has or have acquired during the twelve-month period ending on the date of the most recent acquisition by such Person or Persons), assets from the Company that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of the Company immediately before such acquisition or acquisitions.

For this purpose, “gross fair market value” means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

(iv) A “Merger” shall occur upon the consummation of a merger, amalgamation or consolidation of the Company with any other corporation or other entity, or the issuance of voting securities in connection with such a transaction pursuant to applicable stock exchange requirements; *provided* that, immediately following such transaction, the voting securities of the Company outstanding immediately prior thereto do not continue to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity of such merger, amalgamation or consolidation or parent entity thereof) 50% or more of the total voting power of the Company’s stock (or, if the Company is not the surviving entity of such transaction, 50% or more of the total fair market value or total voting power of the stock of such surviving entity or parent entity thereof); and *provided, further*, that such a transaction effected to implement a recapitalization of the Company (or similar transaction) in which no Person is or becomes the beneficial owner, directly or indirectly, of securities of the Company (not including in the securities beneficially owned by such Person any securities acquired directly from the Company or its affiliates other than in connection with the acquisition by the Company or its affiliates of a business) representing 50% or more of either the then-outstanding Company Stock or the combined fair market value or voting power of the Company’s then-outstanding voting securities shall not be considered a Change in Control.

(v) The following rules of construction apply in interpreting the definition of Change of Control:

(A) A “Person” means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act, and the rules and regulations thereunder, other than employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company or an underwriter of the capital stock of the Company in a registered public offering.

(B) Persons will be considered to be “Persons Acting as a Group” (or “Group”) if (i) they are considered to be acting as a group within the meaning of Sections 13(d)(3) and 14(d)(2) of the Exchange Act and the rules and regulations thereunder or (ii) they are owners of a corporation or other entity that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company. If a Person owns stock in both corporations that enter into a merger, consolidation, purchase or acquisition of stock, or similar transaction, such shareholder is considered to be acting as a Group with other shareholders only with respect to the ownership in that corporation before the transaction giving rise to the change and not with respect to the ownership interest in the other corporation. Persons will not be considered to be acting as a Group solely because they purchase assets of the same corporation at the same time or purchase or own stock of the same corporation at the same time, or as a result of the same public offering.

(C) For purposes of the definition of Change of Control, “fair market value” shall be determined by the Board.



(D) A Change of Control shall not include a transfer to a related person as described in Code Section 409A or a public offering of capital stock of the Company.

(E) For purposes of the definition of Change of Control, Code Section 318(a) applies to determine stock ownership. Stock underlying a vested option is considered owned by the individual who holds the vested option (and the stock underlying an unvested option is not considered owned by the individual who holds the unvested option). For purposes of the preceding sentence, however, if a vested option is exercisable for stock that is not substantially vested (as defined by Treas. Reg. § 1.83-3(b) and (j)), the stock underlying the option is not treated as owned by the individual who holds the option.

(c) “Client” shall mean any client or prospective client of the Company to whom the Participant provided services, or for whom the Participant transacted business, or whose identity become known to the Participant in connection with the Participant’s relationship with or employ by the Company.

(d) “Code” shall mean the Internal Revenue Code of 1986, as amended, and the rules, regulations and Treasury guidance issued thereunder.

(e) “Committee” shall mean the Compensation Committee of the Board or another committee appointed by the Board to administer the Plan.

(f) “Company Stock” shall mean common stock of the Company.

(g) “Competitive Enterprise” shall mean a business enterprise that (a) engages in any activity, (b) owns or controls a significant interest in or (c) is owned by, or a significant interest in which is owned by or controlled by, any entity that engages in any activity, that, in any case, competes anywhere with any activity in which the Company is engaged.

(h) “Competition” shall mean that the Participant (i) forms, or acquires a 5% or greater equity ownership, voting or profit participation interest in, any Competitive Enterprise, or (ii) associates in any capacity (including, but not limited to, association as an officer, employee, partner, director, consultant, agent or advisor) with any Competitive Enterprise.

(i) “Consultant” shall mean a consultant of the Company or any subsidiary of the Company.

(j) “Director” shall mean a member of the Board or, solely for the purposes of awards of Options, a member of the board of directors of any subsidiary of the Company.

(k) “Disability” or “Disabled” shall have the meaning set forth in Section 409A(a)(2)(C) of the Internal Revenue Code.

(l) “Employed by, or providing service to, the Employer” shall mean employment or service as an Employee, Consultant or Director (so that, for purposes of satisfying conditions with respect to Options, Restricted Stock Awards and LTIP Awards, a Participant shall not be considered to have terminated employment or service until the Participant ceases to be any of an Officer, Director, Employee or Consultant).

(m) “Employee” shall mean an employee of the Employer (including an officer or director who is also an employee), but excluding any person who is classified by the Employer as a “contractor” or “consultant,” no matter how characterized by the Internal Revenue Service, other governmental agency or a court. Any change of characterization of an individual by the Internal Revenue Service or any court or government agency shall have no effect upon the classification of an individual as an Employee for purposes of the Plan, unless the Committee determines otherwise.

(n) “Employer” shall mean the Company and each of its subsidiaries.

(o) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(p) “Fair Market Value” shall mean (i) if the Company Stock is traded on an established securities market (including the NASDAQ Stock Market), the reported “closing price” on the relevant date, if it is a trading day; otherwise on the immediately preceding trading day; or (ii) if the Company Stock is not traded on an established securities market, the fair market value, as determined by the Board in good faith under a reasonable valuation method, as of the valuation date coinciding with or, if none, most recently preceding the relevant date. Such fair market valuation determination shall be made in a manner consistent with the rules prescribed under Section 409A of the Code, and with respect to Incentive Stock Options, consistent with rules prescribed under Section 422 of the Code.

(q) “Grant” shall mean an Option, Restricted Stock Award or LTIP Award granted under the Plan.

(r) “Grant Instrument” shall mean the written or electronic agreement that sets forth the terms and conditions of a Grant, including all amendments thereto.

(s) “Good Reason” unless otherwise set forth in a Grant Instrument or an employment or service contract between the Participant and the Employer, shall mean (i) a reduction in the Participant’s base salary, other than a reduction at the substantially similar rate to reductions in base salary of all similarly situated employees or (ii) the Employer requiring the Participant’s principal place of employment to be located more than thirty-five (35) miles from the location where the Participant is principally employed as of the Grant Date, unless the new location is closer in distance to the Participant’s primary residence than the existing location.

(t) “Incentive Stock Option” shall mean an Option that is intended to meet the requirements of an incentive stock option under Section 422 of the Code.

(u) “LTIP Award” shall mean a long term incentive performance-based cash grant awarded under the Plan, which may include performance-based interest accrual opportunities.

(v) “Mature Shares” shall mean shares of Company Stock for which the holder thereof has good title, free and clear of all liens and encumbrances, and that such holder either (i) has held for at least six months or (ii) has purchased on the open market.

(w) “Nonqualified Stock Option” shall mean an Option that is not intended to be taxed as an incentive stock option under Section 422 of the Code.

(x) “Officer” shall mean a person who is an officer of the Company or any of its subsidiaries within the meaning of Section 16 of the Exchange Act, as amended, and the rules and regulations promulgated thereunder.

(y) “Option” shall mean an option to purchase shares of Company Stock, as described in Section 6, which shall take the form of either an Incentive Stock Option or a Nonqualified Stock Option.

(z) “Participant” shall mean an Officer, Director, Employee or Consultant selected by the Committee to participate in the Plan.

(aa) “Restricted Stock Award” shall mean an award of Company Stock, as described in Section 6.

(bb) “Retirement” shall mean termination of the Participant’s employment or service as a Director (other than for Cause) on or after the date of grant at a time when (a) the sum of the Participant’s age plus years of service with the Company equals or exceeds sixty-five (65) and (b) the Participant has completed at least ten (10) years of service with the Company (with years of service for purposes of (a) and (b) to include service with any predecessor of the Company, unless determined otherwise by the Committee).

(cc) “Selected Personnel” shall mean any employee or consultant of the Company or its subsidiaries (A) with whom the Participant personally worked while employed by the Company or its subsidiaries, (B) who at any time during the year immediately preceding the Participant’s termination of employment with the Company or its subsidiaries, worked in the same division or business segment in which the Participant worked, (C) who holds or at any time held a customer facing role with the Company or its subsidiaries, or (D) serves or at any time served as a member of the executive committee of the Company.

(dd) “Solicit” shall mean any direct or indirect communication of any kind whatsoever, regardless of by whom initiated, inviting, advising, encouraging or requesting any person or entity, in any manner, to take or refrain from taking an action.

## ***Section 2. Administration***

(a) Committee. The Plan shall be administered and interpreted by the Committee. Notwithstanding the foregoing, any Restricted Stock Awards or formula for granting Restricted Stock Awards under the Plan made to Directors shall be approved by the Board. With respect to awards to such Directors, all rights, powers and authorities vested in the Committee under the Plan shall instead be exercised by the Board, and all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to the Board for such purpose.

(b) Committee Authority. Subject to Section 2(a), the Committee shall have the sole authority to (i) determine the individuals to whom Grants shall be made under the Plan, (ii) determine the type, size and terms of the Grants to be made to each such Participant, (iii) determine the time when the Grants will

be made, (iv) determine the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (v) amend the terms of any previously issued Grants, subject to the provisions of Section 12 below, and (vi) deal with any other matters arising under the Plan.

(c) Committee Determinations. The Committee shall have full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be final, conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals.

(d) Delegation of Authority. The Committee shall have the right, from time to time, to delegate to one or more Officers the authority of the Committee to grant and determine the terms and conditions of Options and Restricted Stock Awards granted under the Plan, subject to the requirements of Section 157(c) of the Delaware General Corporation Law (or any successor provision) and such other limitations as the Committee shall determine. In no event shall any such delegation of authority be permitted with respect to Options or Restricted Stock Awards to any members of the Board or to any Participant who is subject to Rule 16b-3 under the Exchange Act. The Committee shall also be permitted to delegate, to any appropriate Officer or Employee, responsibility for performing certain ministerial functions under the Plan. In the event that the Committee's authority is delegated to Officers or Employees in accordance with the foregoing, all provisions of the Plan relating to the Committee shall be interpreted in a manner consistent with the foregoing by treating any such reference as a reference to such Officer or Employee for such purpose. Any action undertaken in accordance with the Committee's delegation of authority hereunder shall have the same force and effect as if such action was undertaken directly by the Committee and shall be deemed for all purposes of the Plan to have been taken by the Committee.

(e) No member of the Board or the Committee or any Employee (each such person, a "Covered Person") shall have any liability to any person (including, without limitation, any Participant) for any action taken or omitted to be taken or any determination made in good faith and in a manner the Covered Person reasonably believed to be in, or not opposed to, the best interests of the Company with respect to the Plan or any Grant Instrument. Subject to the terms of the Company's bylaws and applicable law, each Covered Person shall be indemnified and held harmless by the Company against and from (i) any loss, cost, liability or expense (including attorneys' fees) that may be imposed upon or incurred by such Covered Person in connection with or resulting from any action, suit or proceeding to which such Covered Person may be a party or in which such Covered Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Grant Instrument and (ii) any and all amounts paid by such Covered Person, with the Company's approval, in settlement thereof, or paid by such Covered Person in satisfaction of any judgment in any such action, suit or proceeding against such Covered Person; *provided* that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and, once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to a Covered Person to the extent that a court of competent

jurisdiction in a final judgment or other final adjudication, in either case, not subject to further appeal, determines that the acts or omissions of such Covered Person giving rise to the indemnification claim resulted from such Covered Person's bad faith, fraud or willful criminal act or omission. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which Covered Persons may be entitled as a matter of law, or otherwise, or any other power that the Company may have to indemnify such persons or hold them harmless.

### **Section 3. Grants**

Grants under the Plan may consist of Options as described in Section 5, Restricted Stock Awards as described in Section 6, and LTIP Awards as described in Section 7. All Grants shall be subject to the terms and conditions set forth herein and to such other terms and conditions consistent with the Plan as the Committee deems appropriate and as are specified in writing by the Committee to the individual in the Grant Instrument. All Grants shall be made conditional upon the Participant's acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final and binding on the Participant, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Participants.

### **Section 4. Shares Subject to the Plan**

(a) Shares Authorized. The aggregate number of shares of Company Stock that may be issued or transferred under the Plan (including shares of Company Stock subject to outstanding grants under the Prior Plans) as of the Effective Date shall be 4,500,000. Without exceeding the foregoing aggregate limit:

(i) the maximum number of shares of Common Stock that may be issued or transferred under Options shall be 3,000,000;

(ii) the maximum number of shares of Common Stock that may be issued or transferred under all Restricted Stock Awards shall be 1,500,000; and

(iii) LTIP Awards shall be cashed based awards (with no shares of Common Stock issued or transferred pursuant to any LTIP Awards).

(b) Source of Shares; Share Counting. Common Stock issued and sold under the Plan may be either authorized but unissued shares or shares held in the Company's treasury. To the extent that any Option or Restricted Stock Award involving the issuance of shares of Common Stock is forfeited, cancelled, returned to the Company for failure to satisfy vesting requirements or other conditions of the Option or Restricted Stock Award, or otherwise terminates without an issuance of shares of Common Stock being made thereunder, the shares of Common Stock covered thereby will no longer be counted against the foregoing maximum share limitations and may again be issued under the Plan pursuant to such limitations.

(c) Adjustments. If, after the Effective Date, there is any change in the number or kind of shares of Company Stock outstanding by reason of (i) a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) a merger, reorganization or consolidation, (iii) a reclassification or

change in par value, or (iv) any other extraordinary or unusual event affecting the outstanding Company Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Company Stock is substantially reduced as a result of a spinoff or the Company's payment of an extraordinary dividend or distribution, the maximum number of shares of Company Stock available for issuance under the Plan, the maximum number of shares of Company Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares issued and to be issued under the Plan, and the price per share or the applicable market value of such Grants shall be equitably adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, the issued shares of Company Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; *provided*, however, that any fractional shares resulting from such adjustment shall be eliminated. Any adjustments to outstanding Grants shall be consistent with Section 409A or 424 of the Code, to the extent applicable. The Committee shall have the sole discretion and authority to determine what appropriate adjustments shall be made and any adjustments determined by the Committee shall be final, binding and conclusive.

### **Section 5. Options**

(a) Eligible Participants. The Committee may grant Options to an Officer, Director, Employee or Consultant upon such terms as the Committee deems appropriate. In order to be eligible for an Incentive Stock Option, a Director or Consultant must also be a common law employee of the Company as provided in Section 422 of the Code; *however*, in order to be eligible for a Nonqualified Stock Option, a Director or Consultant need not be a common law employee of the Company.

(b) Selection of Participants/Number of Shares. The Committee shall select the Officers, Directors, Employees and Consultants to receive Option grants and shall determine the number of shares of Company Stock subject to a particular grant in such matter as the Committee determines.

(c) Limitation on Incentive Stock Options. The aggregate Fair Market Value, determined on the date of grant, of shares of Company Stock with respect to which any Incentive Stock Options under the Plan and all other plans of the Company become exercisable by any individual for the first time in any calendar year shall not exceed \$100,000. To the extent that any Option exceeds this limit, it shall be deemed a Nonqualified Stock Option.

(d) Limitation on Annual Grants of Options. No Participant shall be granted, in any fiscal year of the Company, Options to purchase more than 200,000 shares of Company Stock. The limitation described in this Section 5(d) shall be adjusted proportionately in connection with any change in the Company's capitalization as described in Section 4(c) of the Plan. If an Option is canceled in the same fiscal year of the Company in which it was granted (other than in connection with a transaction described in Section 4(c) of the Plan), the canceled Option will be counted against the limitation described in this Section 5(d).

(e) Grant Instrument. Subject to the provisions of the Plan, each Option granted to Participant shall be set forth in a Grant Instrument which shall include such terms and conditions as the Board determines, including a vesting schedule. Each such Grant Instrument shall incorporate the provisions of the Plan by reference. The date of the grant of an Option is the date specified in the Grant Instrument.

Any Grant Instrument shall clearly identify the corresponding Option as an Incentive Stock Option or Nonqualified Stock Option.

(f) Option Prices. Except as otherwise provided by this Section 5(f), the option price for Shares of Company Stock shall not be less than one hundred percent (100%) of the fair market value of the Stock on the date of the grant of such Option. The option price for any Incentive Stock Option granted to a Participant who possesses more than ten percent (10%) of the total combined voting power of all classes of common stock of the Company shall not be less than one hundred ten percent (110%) of the fair market value of the Stock on the date of the grant of such Option. Any Option that is (1) granted to a Participant in connection with the acquisition, however effected, by the Company of another corporation or entity or the assets thereof, (2) associated with an option to purchase shares of stock or other equity interest of such acquired corporation, entity or an affiliate thereof held by such Participant immediately prior to such acquisition, and (3) intended to preserve for the Participant the economic value of all or a portion of such acquired entity option, may be granted with such exercise price as the Board determines to be necessary to achieve such preservation of economic value. Any Option that is granted to a Participant not previously employed by the Company, or a parent corporation or subsidiary, as a material inducement to the Participant's commencing employment with the Company may be granted with such exercise price as the Board determines to be necessary to provide such material inducement. For purposes of this Section 5(f), a Participant's common stock ownership shall be determined by taking into account the rules of constructive ownership set forth in Section 424(d) of the Code.

(g) Term of Options. No Incentive Stock Option granted under the Plan may be exercised later than ten (10) years from the date of grant. Non-Qualified Stock Options shall have such term as the Board shall determine. The term for any Incentive Stock Option granted to a Participant who possesses more than ten percent (10%) of the total combined voting power of all classes of common stock of the Company shall not be more than five (5) years from the date of grant. For purposes of this Section 5(g), a Participant's common stock ownership shall be determined by taking into account the rules of constructive ownership set forth in Section 424(d) of the Code.

(h) Exercise of Option.

(i) Limitation on Exercise of Option. Except as otherwise provided in the Plan, the Board, in its sole discretion, may limit an Option by restricting its exercise in whole or in part to specified vesting periods or until specified conditions have occurred. The vesting periods and any restrictions will be set forth in the Grant Instrument. The Board, in its sole discretion, may accelerate the vesting of any Option at any time.

(ii) Exercise Prior to Cancellation. An Option shall be exercisable only during the term of the Option as long as the Participant remains continuously employed by or providing service to the Employer or any successor thereof. Notwithstanding the preceding sentence, as long as the Option's term has not expired, and unless otherwise provided in the Grant Instrument, an Option which is otherwise exercisable in accordance with its provisions shall be exercisable:

(A) for a period ending ninety (90) days after the Participant has terminated his or her continuous employment with the Employer, unless the Participant was terminated for Cause by the

Employer, in which case the Option shall terminate upon the delivery of the notice of termination of employment; or

(B) for a period ending ninety (90) days after the removal or resignation of the Participant from the Board or the board of directors of any parent entity, subsidiary or any successor thereof on which such Participant has served; or

(C) by the estate of the Participant, within one (1) year after the date of the Participant's death, if the Participant should die while in the continuous employment of the Employer or while serving on the Board of the Company or any parent entity, subsidiary or any successor thereof; or

(D) within one (1) year after the Participant's employment with the Employer terminates, if the Participant becomes disabled during continuous employment with the Company and such Disability is the cause of termination.

(iii) Method of Exercising an Option. Subject to the provisions of any particular Option, including any provisions relating to vesting of the Option, a Participant may exercise the Option, in whole or in part, by written notice to the Company stating in such written notice the number of shares of Company Stock such Participant elects to purchase under the Option, and the time of the delivery thereof, which time shall be at least fifteen (15) days after the giving of such notice, unless an earlier date shall have been mutually agreed upon. Upon receipt of such written notice, the Company shall provide the Participant with that information required by the applicable federal and state securities laws. If, after receipt of such information, the Participant desires to withdraw such notice of exercise, the Participant may withdraw such notice of exercise by notifying the Company, in writing, prior to the time set forth for delivery of the shares of Company Stock. In no event may an Option be exercised after the expiration of its term. A Participant is under no obligation to exercise an Option or any part thereof.

(i) Payment for Option Stock. The exercise of any Option shall be contingent upon receipt by the Company of the acceptable form of consideration equal to the full option price of the shares of Company Stock being purchased. The acceptable form of consideration may consist of any combination of cash, certified bank check, wire transfer or, subject to the approval of the Board, (i) Mature Shares; or (ii) pursuant to procedures approved by the Board, (A) through the sale of the shares of Company Stock acquired on exercise of the Option through a broker-dealer to whom the Participant has submitted an irrevocable notice of exercise and irrevocable instructions to deliver promptly to the Company the amount of sale or loan proceeds sufficient to pay the exercise price, together with, if requested by the Company, the amount of applicable withholding taxes payable by the Participant by reason of such exercise, or (B) through simultaneous sale through a broker of shares of Company Stock acquired upon exercise. For purposes of this Section 5(i), Mature Shares that are delivered in payment of the option price shall be valued at their Fair Market Value. In the alternative, the Company may, but is not required to, accept a promissory note, secured or unsecured, in the amount of the option price made by the Participant on terms and conditions satisfactory to the Company.

(j) Delivery of Stock to Participant. Provided the Participant has delivered proper notice of exercise and full payment of the option price, the Company shall undertake and follow all necessary procedures to make prompt delivery of the number of shares of Company Stock which the Participant elects to purchase at the time specified in such notice. Such delivery, however, may be postponed at the



sole discretion of the Company to enable the Company to comply with any applicable procedures, regulations or listing requirements of any governmental agency, stock exchange or regulatory authority. As a condition to the issuance of shares of Company Stock, the Company may require such additional payments from the Participant as may be required to allow the Company to withhold any income taxes which the Company deems necessary to insure the Company that it can comply with any federal, state, local and foreign income tax withholding requirements.

(k) Nontransferability of Options. Except as otherwise provided in Section 5(h)(C) or(D) of the Plan, an Option granted to a Participant may be exercised only during such Participant's lifetime by such Participant. An Option may not be sold, exchanged, assigned, pledged, encumbered, hypothecated or otherwise transferred except by will or by the laws of descent and distribution. No Option or any right thereunder shall be subject to execution, attachment or similar process by any creditors of a Participant. Upon any attempted assignment, transfer, pledge, hypothecation or other encumbrance of any Option contrary to the provisions of the Plan, such Option and all rights thereunder shall immediately terminate and shall be null and void with respect to the transferee or assignee.

(l) Notification of Disqualifying Disposition. If a Participant sells or otherwise disposes of any of the shares of Common Stock acquired pursuant to an Incentive Stock Option on or before the later of (i) two (2) years after the date of grant, or (ii) one (1) year after the exercise date, the Participant shall immediately notify the Company in writing of such disposition.

(m) Participant's Rights as a Holder of Shares of Common Stock. A Participant shall have no rights as a holder of shares of Common Stock Subject to an Option until the date the Participant becomes the holder of record of such securities. Except as otherwise provided in Section 12 of the Plan, no adjustment shall be made for dividends or other rights for which the record date occurs prior to the date such stock certificate is issued.

(n) Termination. Unless otherwise provided by the Committee and set forth in a Grant Instrument, if a Participant's employment with the Company or any affiliate shall be terminated for any reason, the Company may, in its sole discretion, immediately terminate such Participant's right to any further payments, vesting or exercisability with respect to any Option in its entirety.

#### ***Section 6. Restricted Stock Awards***

(a) Eligible Participants. The Committee may issue or transfer shares of Company Stock to an Officer, Director or Employee under a Restricted Stock Award upon such terms as the Committee deems appropriate.

(b) Selection of Participants/Number of Shares. The Committee shall select the Officers, Directors and Employees to receive Restricted Stock Awards and shall determine the number of shares of Company Stock subject to a particular grant in such matter as the Committee determines.

(c) Grant Instrument. Subject to the provisions of the Plan, each Restricted Stock Award granted to a Participant shall be set forth in a Grant Instrument which shall include such terms and conditions as the Board determines, including a vesting schedule and transfer restrictions. Each such Grant Instrument

shall incorporate the provisions of the Plan by reference. The date of the grant of a Restricted Stock Award is the date specified in the Grant Instrument.

(d) Purchase Price. The Committee may require the payment by the Participant of a specified purchase price in connection with any Restricted Stock Award.

(e) Vesting Requirements. The restrictions imposed on shares granted under a Restricted Stock Award shall lapse in accordance with the vesting requirements specified by the Committee in the Grant Instrument, *provided* that the Committee may accelerate the vesting of a Restricted Stock Award at any time. Such vesting requirements may be based on the continued employment or service of the Participant with the Company or its Affiliates for a specified time period (or periods) or on the attainment of specified performance goals established by the Committee in its discretion. If the vesting requirements of a Restricted Stock Award shall not be satisfied, the Award shall be forfeited and the shares of Common Stock subject to the Award shall be returned to the Company.

(f) Restrictions/Forfeiture. Shares of Company Stock granted under any Restricted Stock Award may not be transferred, assigned or subject to any encumbrance, pledge, or charge until all applicable restrictions are removed or have expired, unless otherwise allowed by the Committee. Failure to satisfy any applicable restrictions shall result in the subject shares of the Restricted Stock Award being forfeited and returned to the Company. In addition to any otherwise applicable vesting or performance conditions of a Restricted Stock Award, the Committee may specify in a Grant Instrument at the time of the grant of any Restricted Stock Award that the Participant's rights with respect to a Restricted Stock Award shall be subject to cancellation or forfeiture upon the occurrence of certain specified events. The Committee may require in a Grant Instrument that certificates representing the shares granted under a Restricted Stock Award bear a legend making appropriate reference to the restrictions imposed, and that certificates representing the shares granted or sold under a Restricted Stock Award will remain in the physical custody of an escrow holder until all restrictions are removed or have expired.

(g) Rights as Shareholder. Subject to the foregoing provisions of this Section 6 and the applicable Grant Instrument, the Participant shall have all rights of a shareholder with respect to the shares of Company Stock granted to the Participant under a Restricted Stock Award, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto. The Committee may provide in a Grant Instrument for the payment of dividends and distributions to the Participant at such times as paid to shareholders generally or at the times of vesting or other payment of the Restricted Stock Award. Notwithstanding the foregoing, a Participant shall have no rights as a holder of shares of Common Stock with respect to any Restricted Stock Award until the date the Participant becomes the holder of record of such securities.

(h) Section 83(b) Election. If a Participant makes an election pursuant to Section 83(b) of the Code with respect to a Restricted Stock Award, the Participant shall file, within thirty (30) days following the date of grant, a copy of such election with the Company and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The Committee may provide in a Grant Instrument that the Restricted Stock Award is conditioned upon the Participant's making or refraining from making an election with respect to the Award under Section 83(b) of the Code.

(i) Termination. Unless otherwise provided by the Committee and set forth in a Grant Instrument, if a Participant's employment with the Company or any affiliate shall be terminated for any reason, the Company may, in its sole discretion, immediately terminate such Participant's right to any further payments, vesting or exercisability with respect to any Restricted Stock Award in its entirety.

#### **Section 7. Performance-Based Cash Compensation Awards**

(a) Eligible Participants. The Committee may grant LTIP Awards to Employees who are executive Employees of the Company, upon such terms and conditions as the Committee deems appropriate.

(b) Selection of Participants/Number of Shares. The Committee shall select the executive Employees to receive LTIP Awards and shall determine the cash target subject to a particular grant in such matter as the Committee determines.

(c) Grant Instrument. Subject to the provisions of the Plan, each LTIP Award granted to a Participant shall be set forth in a Grant Instrument which shall include such terms and conditions as the Board determines, including a vesting schedule. Each such Grant Instrument shall incorporate the provisions of the Plan by reference. The date of the grant of an LTIP Award is the date specified in the Grant Instrument.

(d) Vesting; Performance Measures; Payment. The timing and conditions for vesting and/or payment of LTIP Awards, including any events which would accelerate vesting and/or payment of Awards, shall be determined by the Committee, in its sole discretion, and may include continued services to the Company for a specified period and/or the achievement of one or more performance measures, or such other events or requirements as the Committee may determine, in its sole discretion. In particular, the amounts payable under an LTIP Award may vary based on, be indexed to, or be conditioned all or in part on, the satisfaction of one or more performance measures, which performance measures may relate to such measures or combination of measures of individual performance and/or the Company's performance (including, without limitation, any divisional, business unit or other performance) as the Committee, in its sole discretion, deems appropriate. Performance measures may be absolute or relative, may include, without limitation, risk-based adjustments or adjustments for items that are unusual in nature or infrequent in occurrence, may be measured over a specified performance period which may be a fiscal year or any longer or shorter period of time, and may be based on, without limitation, return on equity, EBITDA, return on common equity, total shareholder return, market price of the Company's common stock or the market price, face amount or discounted value of other debt or equity securities, book value per share, tangible book value per share, earnings per share, net income, pre-tax operating income, net revenues or pre-tax earnings or debt-to-equity ratio.

(e) Forfeiture; Recapture. Unless the Committee determines otherwise, the Participant's rights in respect of all of his or her outstanding LTIP Awards (whether or not vested) shall immediately terminate and such Awards shall cease to be outstanding if: (i) the Participant in any manner, directly or indirectly, (1) Solicits any Client to transact business with a Competitive Enterprise or to reduce or refrain from doing any business with the Company or (2) interferes with or damages (or attempts to interfere with or damage) any relationship between the Company and any Client or (3) Solicits any person who is an employee of the Company to resign from the Company or to apply for or accept employment with any

Competitive Enterprise, (ii) the Participant fails to certify to the Company, in accordance with procedures established by the Committee, that the Participant has complied, or the Committee determines that the Participant in fact has failed to comply, with all the terms and conditions of the Plan or Grant Instrument or (iii) any event constituting Cause occurs with respect to the Participant. By accepting any payment in accordance with the Plan, the Participant shall be deemed to have represented and certified at such time that the Participant has complied with all the terms and conditions of the Plan and the Grant Instrument.

(f) Termination of Employment; Death; Change of Control. The Committee, in its sole discretion, may specify in the applicable Grant Instrument the effect of a termination of employment or service, death, Disability or a Change of Control on any Award held by a Participant, including the adjustment or other treatment of performance measures. Unless otherwise provided by the Committee or set forth in a Grant Instrument, if a Participant's employment with the Company or any affiliate shall be terminated for any reason, the Company may, in its sole discretion, immediately terminate such Participant's right to any further payments, vesting or exercisability with respect to any LTIP Award in its entirety.

(g) Deferral of Awards. Subject to approval by the Committee and to any requirements imposed by the Committee in connection with such approval and to the extent permitted under Section 409A of the Code, each Participant may be eligible to defer receipt, under the terms and conditions of any applicable deferred compensation plan of the Company, of part or all of any payments otherwise due under any LTIP Award.

(h) Maximum Amount. Notwithstanding anything to the contrary in the Plan or any applicable Grant Instrument, no Participant shall receive any payment under any LTIP Award in an amount in excess of the amount stated as the "Maximum Individual Bonus" under the StoneX Group Inc. 2021 Executive Performance Plan or successor plan.

(i) Repayment. The Committee may determine that amounts paid pursuant to an LTIP Award in accordance with the Plan be repaid to the Company, which terms shall be set forth in the applicable Grant Instrument.

(j) Right of Offset. The Company shall have the right to offset against its obligation to pay an LTIP Award to any Participant, any outstanding amounts (including, without limitation, travel and entertainment or advance account balances, loans, repayment obligations under any LTIP Awards, or amounts repayable to the Company pursuant to tax equalization, housing, automobile or other employee programs) such Participant then owes to the Company and any amounts the Committee otherwise deems appropriate pursuant to any tax equalization policy or agreement.

### ***Section 8. Consequences of a Change of Control***

(a) Acceleration. Unless the Committee determines otherwise, effective upon the date of the Change of Control, (i) all outstanding Options shall automatically accelerate and become fully exercisable, (ii) the restrictions and conditions on all outstanding Restricted Stock Awards shall immediately lapse, and (iii) all LTIP Awards shall become fully vested and shall be paid (with such LTIP

Award vesting and payment to be calculated in the same manner as if the Participant was terminated without Cause).

(b) Other Alternatives. Notwithstanding the foregoing, in the event of a Change of Control, the Committee may take one or more of the following actions with respect to any or all outstanding Grants: the Committee may (i) require that Participants surrender their outstanding Grants in exchange for one or more payments by the Company, in cash or Company Stock as determined by the Committee, in an amount equal to (a) in the case of Options, the amount by which the then Fair Market Value of the shares of Company Stock subject to the Participant's unexercised Options exceeds the Exercise Price of the Options, (b) in the case of Restricted Stock the then Fair Market Value of the shares of Company Stock underlying the Participant's Restricted Stock award and (c) in the case of LTIP Awards, the fair market value of the LTIP Award as determined by the Board in its sole discretion, (ii) after giving Participants an opportunity to exercise their outstanding Options, terminate any or all unexercised Options at such time as the Committee deems appropriate or (iii) determine that outstanding Grants that are not exercised or otherwise remain in effect after the Change of Control shall be assumed by, substituted with, converted to or replaced with similar grants of the surviving corporation (or a parent or subsidiary of the surviving corporation). Such surrender or termination shall take place as of the date of the Change of Control or such other date as the Committee may specify. The actions taken by the Committee pursuant to this Section 8 need not be uniform among Participants or among Grants.

(c) Notices. Notwithstanding anything in the Plan to the contrary, the Company shall use its best efforts to give at least fifteen (15) days written notice of a Change of Control to holders of unexercised Options prior to the effective date of the transaction constituting a Change of Control.

(d) Section 280G Better Off-Cutback.

(i) Anything in the Plan to the contrary notwithstanding, in the event that the Accounting Firm (as defined below) shall determine that receipt of all Payments (as defined below) would subject the Participant to tax under Section 4999 of the Code, the Accounting Firm shall determine whether some amount of Plan Payments (as defined below) meets the definition of "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, then the aggregate Plan Payments shall be reduced to such Reduced Amount.

(ii) If the Accounting Firm determines that the aggregate Plan Payments should be reduced to the Reduced Amount, the Company shall promptly give the Participant notice to that effect and a copy of the detailed calculation thereof, and the Participant may then elect, in their sole discretion, which and how much of the Plan Payments shall be eliminated or reduced (as long as after such election the Present Value of the aggregate Plan Payments equals the Reduced Amount). Notwithstanding the provisions of Section 2(c), all determinations made by the Accounting Firm under this Section 8(d) shall be binding upon the Company. In connection with making determinations under this Section 8(d), the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by the Participant before or after the Change in Control, including any non-competition

provisions that may apply to the Participant and the Company shall cooperate in the valuation of any such services, including any non-competition provisions.

(iii) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the Participant's benefit pursuant to the Plan which should not have been so paid or distributed (each, an "Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for the Participant's benefit pursuant to the Plan could have been so paid or distributed (each, an "Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or the Participant which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for the Participant's benefit shall be repaid by the Participant to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided, however*, that no such repayment shall be required if and to the extent such deemed repayment would not either reduce the amount on which the Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for the Participant's benefit together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. All fees and expenses of the Accounting Firm in implementing the provisions of this Section 8(d) shall be borne by the Company.

(iv) The following terms shall have the following meanings for purposes of this Section 8(d).

(A) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for the Participant's benefit, whether paid or payable pursuant to this Agreement or otherwise;

(B) "Accounting Firm" shall mean a nationally recognized accounting firm as may be mutually acceptable to the Company and the Participant;

(C) "Plan Payment" shall mean a Payment paid or payable pursuant to the Plan (disregarding this Section 8(d));

(D) "Net After-Tax Receipt" shall mean the Present Value of a Payment net of all taxes imposed on the Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to the Participant's taxable income for the immediately preceding taxable year, or such other rate(s) as the Participant shall certify, in the Participant's sole discretion, as likely to apply to the Participant in the relevant tax year(s);

(E) "Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that

constitutes a “parachute payment” under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment; and

(F) “Reduced Amount” shall mean the amount of the Plan Payments that (x) has a Present Value that is less than the Present Value of all Plan Payments and (y) results in aggregate Net After-Tax Receipts for all Payments that are greater than the Net After-Tax Receipts for all Payments that would result if the aggregate Present Value of the Plan Payments were any other amount that is less than the Present Value of all Plan Payments.

### **Section 9. Withholding of Taxes**

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Employer may require that the Participant or other person receiving Grants or exercising Grants pay to the Employer the amount of any federal, state or local taxes that the Employer is required to withhold with respect to such Grants, or the Employer may deduct from other wages and compensation paid by the Employer the amount of any withholding taxes due with respect to such Grants.

(b) Election to Withhold Shares. If the Committee so permits, a Participant may elect to satisfy the Employer’s tax withholding obligation with respect to Grants paid in Company Stock by having shares withheld up to an amount that does not exceed the Participant’s minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities. The election must be in a form and manner prescribed by the Committee and may be subject to the prior approval of the Committee.

### **Section 10. Transferability of Grants**

(a) Nontransferability of Grants. Except as described in subsection (b) below, only the Participant may exercise rights under a Grant during the Participant’s lifetime. A Participant may not transfer those rights except (i) by will or by the laws of descent and distribution or (ii) with respect to Grants other than Incentive Stock Options, pursuant to a domestic relations order. When a Participant dies, the personal representative or other person entitled to succeed to the rights of the Participant may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Participant’s will or under the applicable laws of descent and distribution. LTIP Awards are not transferable. If a Participant dies, any amounts payable after the Participant’s death pursuant to an LTIP Award shall be paid to the personal representative or other person entitled to succeed to the rights of the Participant.

(b) Transfer of Nonqualified Stock Options or Restricted Stock Awards. Notwithstanding the foregoing, the Committee may provide, in a Grant Instrument, that a Participant may transfer Nonqualified Stock Options or Restricted Stock Awards to family members, or one or more trusts or other entities for the benefit of or owned by family members, consistent with the applicable securities laws, according to such terms as the Committee may determine; *provided* that the Participant receives no consideration for the transfer of an Option or Restricted Stock Award and the transferred Option or Restricted Stock Award shall continue to be subject to the same terms and conditions as were applicable to the Option or Restricted Stock Award, as applicable, immediately before the transfer.

### **Section 11. Requirements for Issuance or Transfer of Shares**

No Company Stock shall be issued or transferred in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance or transfer of such Company Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant on the Participant's undertaking in writing to comply with such restrictions on his or her subsequent disposition of the shares of Company Stock as the Committee shall deem necessary or advisable, and certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Company Stock issued or transferred under the Plan may be subject to such stop-transfer orders and other restrictions as the Committee deems appropriate to comply with applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon.

### **Section 12. Amendment and Termination of the Plan**

(a) Amendment. The Board may amend or terminate the Plan at any time; *provided*, however, that the Board shall not amend the Plan without stockholder approval if such approval is required in order to comply with the Code or other applicable law, or to comply with applicable stock exchange requirements. The terms of outstanding Grants may not be amended to reduce the exercise price of outstanding Options or cancel outstanding Options in exchange for cash, other awards or Options with an exercise price that is less than the exercise price of the original Options without stockholder approval.

(b) Termination of Plan. Unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the stockholders:

(i) with respect to Options, the Plan shall terminate ten (10) years after the approval of the INTL FCStone Inc. 2013 Stock Option Plan by the shareholders of the Company or its adoption by the Board, whichever is earlier; and

(ii) with respect to Restricted Stock Awards, the Plan shall terminate five (5) years after the approval of the INTL FCStone Inc. 2017 Restricted Stock Plan by the shareholders of the company; and

(iii) with respect to LTIP Awards, the Plan shall continue until terminated by the Board.

(c) Termination and Amendment of Outstanding Grants. A termination or amendment of the Plan that occurs after a Grant is made shall not materially impair the rights of a Participant unless the Participant consents or unless the Committee acts under Section 13(f) below.

### **Section 13. Miscellaneous**

(a) Grants in Connection with Corporate Transactions and Otherwise. Nothing contained in the Plan shall be construed to (i) limit the right of the Committee to make Grants under the Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or (ii) limit the right of the Company to grant stock options or make other awards outside of the Plan. The Committee may make a Grant to an employee of another corporation who becomes an Employee by



reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company, in substitution for a stock option or stock awards grant made by such corporation. Notwithstanding anything in the Plan to the contrary, the Committee may establish such terms and conditions of the new Grants as it deems appropriate, including setting the exercise price of Options at a price necessary to retain for the Participant the same economic value as the prior options or rights.

(b) Governing Document. The Plan shall be the controlling document. No other statements, representations, explanatory materials or examples, oral or written, may amend the Plan in any manner. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(c) Funding of the Plan. The Plan shall be unfunded. The Company shall not be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under the Plan.

(d) Rights of Participants. Nothing in the Plan shall entitle any Officer, Director, Employee, Consultant or other person to any claim or right to receive a Grant under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Employer or any other employment rights.

(e) No Fractional Shares. No fractional shares of Company Stock shall be issued or delivered pursuant to the Plan or any Grant. Except as otherwise provided under the Plan, the Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(f) Compliance with Law. The Plan, the exercise of Options and the obligations of the Company to issue or transfer shares of Company Stock under Grants shall be subject to all applicable laws and regulations, and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to Section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Incentive Stock Options comply with the applicable provisions of Section 422 of the Code and that, to the extent applicable, Grants and LTIP Awards comply with, or otherwise be exempt from, the requirements of Section 409A of the Code. The Plan and all Grants issued under the Plan shall be administered, interpreted, and construed in a manner consistent with Section 409A of the Code to the extent necessary to avoid the imposition of additional taxes under Section 409A(a)(1)(B) of the Code. To the extent that any legal requirement of Section 16 of the Exchange Act or Section 422 or 409A of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Section 422 or 409A of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation. To the extent required under Section 409A of the Code, payments or distributions to a Participant who is a "specified employee" (within the meaning of such term under Section 409A of the Code) upon his or her separation from service shall be postponed and subject to a six-month delay and shall be paid within fifteen (15) days after the end of the six-month period following separation from service or if the Participant dies during the postponement period prior to the payment of postponed amount, the amounts withheld on account of Section 409A of the Code shall be paid to the personal representative of the Participant's estate within sixty (60) days after

the date of the Participant's death. Notwithstanding anything in the Plan to the contrary, in no event shall the Committee exercise its discretion to accelerate the payment or settlement of a Grant where such payment or settlement constitutes deferred compensation within the meaning of Code Section 409A unless, and solely to the extent that, such accelerated payment or settlement is permissible under Treasury Regulation Section 1.409A-3(j)(4) or any successor provision.

(g) Employees Subject to Taxation Outside the United States. With respect to Participants who are believed by the Committee to be subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions, consistent with the Plan, as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(h) Clawback Rights. Subject to the requirements of applicable law, the Committee may provide in any Grant Instrument that, if a Participant breaches any restrictive covenant agreement between the Participant and the Employer or otherwise engages in activities that constitute Cause either while employed by, or providing service to, the Employer or within a specified period of time thereafter, all Grants held by the Participant shall terminate, and the Company may rescind any exercise of an Option and the vesting of any other Grant and delivery of shares upon such exercise or vesting, as applicable on such terms as the Committee shall determine, including the right to require that in the event of any such rescission, (i) the Participant shall return to the Company the shares received upon the exercise of any Option and/or the vesting and payment of any other Grant or, (ii) if the Participant no longer owns the shares, the Participant shall pay to the Company the amount of any gain realized or payment received as a result of any sale or other disposition of the shares (or, in the event the Participant transfers the shares by gift or otherwise without consideration, the Fair Market Value of the shares on the date of the breach), net of the price originally paid by the Participant for the shares. Payment by the Participant shall be made in such manner and on such terms and conditions as may be required by the Committee. The Employer shall be entitled to set off against the amount of any such payment any amounts otherwise owed to the Participant by the Employer. In addition, any Grant which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to any such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any law, government regulation or stock exchange listing requirement).

(i) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Instruments issued under the Plan shall be governed and construed by and determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

STONEX GROUP INC.

2021 OMNIBUS INCENTIVE COMPENSATION PLAN

OPTION AWARD AGREEMENT

[INCENTIVE STOCK OPTIONS][NONQUALIFIED STOCK OPTIONS]

This OPTION AWARD AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_ (the "Date of Grant"), is delivered by StoneX Group Inc. (the "Company") to \_\_\_\_\_ (the "Grantee").

RECITALS

A. The StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan (the "Plan") provides for the grant of option awards with respect to shares of common stock of the Company ("Company Stock"). The Grantee acknowledges that a copy of the Plan has been made available to the Grantee.

B. The Board of Directors of the Company (the "Board") has appointed the Compensation Committee of the Board (the "Committee") to administer the Plan. Pursuant to such authority, the Committee has decided to make an award of Options under the Plan as an inducement for the Grantee to promote the best interests of the Company and its stockholders.

NOW, THEREFORE, the parties to this Agreement, intending to be legally bound hereby, agree as follows:

1. *Grant of Options.* Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants the Grantee\_\_ [incentive stock options OR nonqualified stock options] (the "Options").

2. *Purchase Price/Termination Date.* The purchase price shall be \$\_\_\_\_\_ per share, being the Fair Market Value of a share of Common Stock as defined in the Plan as of the grant date. The Options shall have a [six (6) year term], and subject to the vesting schedule and other terms of this Agreement, may be exercised by the Grantee prior to \_\_\_\_\_.

3. *Vesting of Options.*

(a) The Options shall vest [over five years] according to the following schedule, if the Grantee continues to be employed by, or provide service to, the Company or any of its subsidiaries from the Date of Grant until the applicable vesting date:

Date	Option Vesting
First Anniversary of Date of Grant	1/5
Second Anniversary of Date of Grant	1/5
Third Anniversary of Date of Grant	1/5
Fourth Anniversary of Date of Grant	1/5
Fifth Anniversary of Date of Grant	1/5

(b) Without limiting the generality of Section 6 below, if, in connection with a Change of Control (as defined in the Plan), the Committee determines that the Options will be assumed or replaced by a successor and the Grantee's employment or service with the Company or any of its subsidiaries is subsequently terminated coincident with or within one year following a Change of Control either (i) by the Grantee for Good Reason (as such term is defined in the Plan) or (ii) by the Company or its successor without Cause (as such term is defined in the Plan), the Options, to the extent that they have not yet become fully vested as of the date of such employment or service termination will immediately become 100% vested.

4. *Manner of Exercise.* The Grantee shall notify the Company by registered or certified mail, return receipt requested, addressed to its principal office as to the number of shares of Common Stock (not less than 100) which Grantee desires to purchase under the Option, which notice shall be accompanied by payment (by cash, certified check or wire transfer, or, subject to the approval of the Company and in accordance with the terms of the Plan, by delivery of Mature Shares (as such term is defined in the Plan) or through sale through a broker-dealer) of the price therefor as specified in Section 2 above.

5. *Termination of Options.*

(a) Except as provided herein (including, without limitation, Section 3 hereof), in the Plan or in any employment or service contract then in effect between the Company or its successor and the Grantee, if the Grantee ceases to be employed by, or provide service to, the Company or any of its subsidiaries for any reason before the Options become vested, any Options that have not yet vested shall automatically terminate and shall be forfeited as of the date on which the Grantee ceases to be employed by, or provide service to, the Company or the Grantee's employer. For the avoidance of doubt, except as provided herein, in the Plan or in any employment or service contract then in effect between the Company or its successor and the Grantee, in the event of termination of the Grantee's employment or service (whether or not in breach of local labor laws and whether or not later found to be invalid), the Grantee's right to vest in the Options under the Plan, if any, will terminate effective as of the date that the Grantee is no longer employed by, or providing service to, the Company or the Grantee's employer and will not be extended by any notice period mandated under local law (*e.g.*, employment or service would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when the Grantee is no longer employed or providing service for purposes of the Option grant. No payment shall be made with respect to any unvested Options that are forfeited as described in this Section 5.

(b) Options shall be exercisable only during the term of the Option as long as the Grantee remains continuously employed by or providing service to the Company or any of its subsidiaries or any successor thereof. Notwithstanding the preceding sentence, as long as the Option's term has not expired, an Option which is otherwise exercisable in accordance with its provisions shall be exercisable:

(i) for a period ending ninety (90) days after the Grantee has terminated his or her continuous employment with the Company or any of its subsidiaries or any successor thereof; or

(ii) for a period ending ninety (90) days after the removal or resignation of the Grantee from the Board or the board of any parent entity, subsidiary or any successor thereof on which such Grantee has served; or

(iii) by the estate of the Grantee, within one (1) year after the date of the Grantee's death, if the Grantee should die while in the continuous employment of the Company or its subsidiaries or any successor thereof or while serving on the board of the Company or any parent entity, subsidiary or any successor thereof; or

(iv) within one (1) year after the Grantee's employment with the Company or any of its subsidiaries or any successor thereof terminates, if the Grantee becomes disabled during continuous employment with the Company or any of its subsidiaries or any successor thereof and such Disability (as such term is defined in the Plan) is the cause of termination.

6. *Change of Control.* The provisions of the Plan applicable to a Change of Control shall apply to the Options, and, in the event of a Change of Control, the Committee may take such actions as it deems appropriate pursuant to the Plan.

7. *Grant Subject to Plan Provisions.* This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant and exercise of the Options are subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the shares of Company Stock issued under the Plan, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Options pursuant to the terms of the Plan, and its decisions shall be final, conclusive and binding as to any questions arising hereunder.

8. *No Employment or Other Rights.* The grant of the Options shall not confer upon the Grantee any right to be retained by or in the employ or service of the Company or any of its subsidiaries and shall not interfere in any way with the right of the Grantee's employer to terminate the Grantee's employment or service relationship (if any) at any time. The right of the Company or the Grantee's employer to terminate at will the Grantee's employment or service at any time for any reason is specifically reserved, subject to the terms of any employment agreement then in effect between the Company or its successor and the Grantee.

9. *No Stockholder Rights.* Neither the Grantee, nor any person entitled to receive payment in the event of the Grantee's death, shall have any of the rights and privileges of a stockholder with respect to shares of Company Stock, until certificates for shares of Company Stock have been issued upon exercise of Options, if applicable.

10. *Applicable Law.* The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof. For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

11. *Notice.* Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the Chief Governance and Legal Officer at 230 Park Avenue, 10<sup>th</sup> Floor, New York, NY 10169, U.S.A. or at [corporatesecretary@stonex.com](mailto:corporatesecretary@stonex.com), and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice shall be emailed to the applicable email address or shall be delivered by hand, enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service or with such other delivery service that is reasonably anticipated to ensure delivery from outside the United States.

12. *The Company's Rights.* The existence of the Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Company Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

13. *Amendment.* This Agreement may be amended from time to time by the Committee in its discretion; *provided, however*, that this Agreement may not be modified in a manner that would materially impair the rights of the Grantee unless the Grantee consents or unless the Committee acts under Section 13(f) of the Plan.

14. *Electronic Delivery of Documents.* By executing the acceptance of this Agreement, the Grantee (i) consents to the electronic delivery of this Agreement, all information with respect to the Plan and the Options, and any reports of the Company provided generally to the Company's optionholders; (ii) acknowledges that the Grantee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Grantee by contacting the Company by telephone or in writing; (iii) further acknowledges that the Grantee may revoke his or her consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledges that the Grantee understands that he or she is not required to consent to electronic delivery of documents.

15. *Da ta Priva cy.*

(a) In connection with the Plan, the Company and its subsidiaries and affiliates (including, without limitation, the Grantee's employer) may need to use and otherwise process Personal Data provided by the Grantee to, or otherwise obtained by, the Company or its subsidiaries or affiliates, third party service providers or others acting on the Company's behalf. For the purposes hereof, "Personal Data" means (i) any data or information that relates to or is reasonably capable of being directly or indirectly associated with an identified or identifiable individual or household and (ii) any other data or information that is otherwise considered "personal data," "personal information," "personally identifiable information," or any term of comparable intent, under applicable laws or regulations relating to the collection, use, transfer, deletion, protection or other processing of such data or information. The Grantee understands that Personal Data processed in connection with the Plan may include, without limitation, the Grantee's name, account information, home address and telephone number, employee number, employment status, date of birth, social security number or other identification number, tax number, salary, nationality, job title, any shares of Company Stock or directorships held, details of all Restricted Stock or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor.

(b) The Company and its subsidiaries and affiliates may use and otherwise process the Grantee's Personal Data for the performance of this Agreement and other contracts with the Grantee in connection with the Plan, and in their legitimate business interests for all purposes relating to the implementation, administration and management of the Plan and the Grantee's participation therein, including but not limited to: (i) administering and maintaining Grantee records; (ii) providing the services described in the Plan; (iii) providing information to future purchasers or merger partners of the Company, any of its

subsidiaries or affiliates, or the business in which the Grantee works; and (iv) responding to public authorities, court orders and legal investigations, and complying with law, as applicable. The Grantee understands that the Grantee's Personal Data collected in connection with the Plan will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the plan or as necessary for the Company and its subsidiaries and affiliates to comply with any legal or regulatory requirements, and in accordance with the Company's or its applicable subsidiary's or affiliate's backup and archival policies and procedures.

(c) The Company and its subsidiaries and affiliates may share the Grantee's Personal Data among themselves and with (i) trustees of any employee benefit trust, (ii) registrars, (iii) brokers, (iv) third party administrators of the Plan (including Merrill Lynch or such other stock plan service provider as may be selected by the Company in the future), (v) other third party service providers acting on the Company's behalf in connection with the implementation, administration or management of the Plan, (vi) future purchasers or merger partners (as described above), or (vii) regulators and others as required by law. The Grantee understands that the Company or its subsidiaries or affiliates may transfer the Grantee's Personal Data to any of the parties mentioned above in a country or territory that may not provide the same protection for Personal Data as the Grantee's home country. Any transfer of the Grantee's Personal Data to recipients in a third country will be made subject to appropriate safeguards or applicable derogations provided for under applicable law. Further information on those safeguards or derogations can be obtained through, and other questions regarding this Section 15 may be directed to, the Grantee's local human resources representative.

16. *No Future Entitlement.* By executing the acceptance of this Agreement, the Grantee acknowledges and agrees that:

(i) the grant of Options is a one-time benefit which does not create any contractual or other right to receive future grants of Options, or compensation in lieu of Options, even if Options have been granted repeatedly in the past;

(ii) all determinations with respect to any such future grants, including, but not limited to, the times when Options shall be granted or shall become vested, the maximum number of shares of Company Stock subject to each grant of Options, and the purchase price, if any, will be at the sole discretion of the Committee;

(iii) the Options are extraordinary items that do not constitute compensation or benefits for services rendered to the Company or the Grantee's employer and are outside the scope of the Grantee's employment or service contract, if any;

(iv) the Options are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, dismissal, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered compensation for, or relating in any way to, past services for the Company, the Grantee's employer, or any subsidiary or affiliate of the Company;

(v) no claim or entitlement to compensation or damages shall arise from forfeiture of the Options resulting from termination of the Grantee's employment or service by the Company or the Grantee's employer (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of the grant of the Options to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company or the Grantee's employer, waives his or her ability, if any, to bring any such claim, and releases the Company and the Grantee's employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(vi) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(vii) the Grantee is voluntarily participating in the Plan;

(viii) the Options are not intended to replace any pension rights or compensation;

(ix) Options and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any subsidiary of the Company; and

(x) the future value of the Options underlying shares of Company Stock is unknown and cannot be predicted with certainty.

17. *No Advice Regarding Grant.* The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's exercise of the Options or sale of the underlying shares of Company Stock. The Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

18. *Language.* If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

19. *Severability.* The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

20. *Imposition of Other Requirements.* The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Options and on any shares of Company Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Option Award Agreement as of the Date of Grant.

STONEX GROUP INC.

By: \_\_\_

By electronically acknowledging acceptance of this Agreement, the Grantee agrees to be bound by the terms of the Plan and this Agreement. The Grantee hereby agrees that all decisions and determinations of the Company with respect to the Options, whether by the Board, the Committee, or the Chief Executive Officer of the Company, shall be final and binding.



STONEX GROUP INC.

2021 OMNIBUS INCENTIVE COMPENSATION PLAN

**RESTRICTED STOCK AWARD AGREEMENT**

This RESTRICTED STOCK AWARD AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_ (the "Date of Grant"), is delivered by StoneX Group Inc. (the "Company") to \_\_\_\_\_ (the "Grantee").

**RECITALS**

A. The StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan (the "Plan") provides for the grant of restricted stock awards with respect to shares of common stock of the Company ("Company Stock"). The Grantee acknowledges that a copy of the Plan has been made available at to the Grantee.

B. The Board of Directors of the Company (the "Board") has appointed the Compensation Committee of the Board (the "Committee") to administer the Plan. Pursuant to such authority, the Committee has decided to make an award of restricted stock under the Plan as an inducement for the Grantee to promote the best interests of the Company and its stockholders.

NOW, THEREFORE, the parties to this Agreement, intending to be legally bound hereby, agree as follows:

1. *Grant of Restricted Stock.* Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants the Grantee shares of restricted common stock of the Company, subject to the restrictions set forth below and in the Plan (the "Restricted Stock").

2. *Record Ownership.* The Company will issue the Restricted Stock effective as of the Date of Grant, subject to execution and delivery of this Agreement, and the Grantee will thereafter become the record owner of the Restricted Stock. As the record owner, the Grantee will be entitled to all rights of a common stockholder of the Company, including without limitation, voting rights and rights to dividends, if any, on the Restricted Stock; *provided* that (i) the right to dividends will be subject to Section 6 of this Agreement; and (ii) the Restricted Stock will not be transferable until they are vested.

3. *Vesting of Restricted Stock.*

(a) Subject to Section 3(b), the Restricted Stock shall vest according to the following schedule, if the Grantee continues to be employed by, or provide service to, the Company or any of its subsidiaries from the Date of Grant until the applicable vesting date:

Date	Restricted Stock Vesting
First Anniversary of Date of Grant	1/3
Second Anniversary of Date of Grant	1/3
Third Anniversary of Date of Grant	1/3

The vesting of the Restricted Stock shall be cumulative, but shall not exceed 100% of the Restricted Stock. If the foregoing schedule would produce fractional shares, the number of Restricted Stock that vest shall be rounded to the nearest whole share.

(b) If the Grantee's employment with the Company or any of its subsidiaries is terminated (i) by the Grantee with Good Reason, (ii) by the Company or its successor without Cause, or (iii) due to death or Disability (each as defined in the Plan), the Restricted Stock, to the extent that it has not yet become fully vested as of the date of such employment or service termination will immediately become 100% vested.

(c) If a voluntary termination of the Grantee's employment or service as a Director qualifies as a Retirement (as such term is defined in the Plan), any of the Grantee's Restricted Stock which has not vested on or before the date of termination of the Participant's employment or service will become fully vested on the earliest of the following dates: (i) the first anniversary of such date of termination, provided in the sole judgment of the Compensation Committee the Participant has not served a competitor of the Company during the intervening year in a similar capacity to that in which the Participant served the Company; or (ii) the third anniversary of the Date of Grant; or (iii) the date of death of the Participant.

(d) If the service of an independent director of the Company who was duly nominated by the Board for continuing service is terminated due to not being re-elected by the shareholders of the Company,

any of the Grantee's Restricted Stock which has not yet become fully vested as of the date of such service termination will immediately become 100% vested.

(e) The Compensation Committee may accelerate vesting in other exception circumstances defined by the Committee and not otherwise described above.

4. *Termination of Restricted Stock.* Except as provided herein (including, without limitation, Section 3 hereof), in the Plan or in the employment or service contract then in effect between the Company or its successor and the Grantee, if the Grantee ceases to be employed by, or provide service to, the Company or any of its subsidiaries for any reason before the Restricted Stock become vested, any Restricted Stock that has not yet vested shall automatically terminate and shall be forfeited as of the date on which the Grantee ceases to be employed by, or provide service to, the Company or the Grantee's employer. For the avoidance of doubt, except as provided herein, in the Plan or in the employment or service contract then in effect between the Company or its successor and the Grantee, in the event of termination of the Grantee's employment or service (whether or not in breach of local labor laws and whether or not later found to be invalid), the Grantee's right to vest in the Restricted Stock under the Plan, if any, will terminate effective as of the date that the Grantee is no longer employed by, or providing service to, the Company or the Grantee's employer and will not be extended by any notice period mandated under local law (e.g., employment or service would not include a period of "garden leave" or similar period pursuant to local law); the Committee shall have the exclusive discretion to determine when the Grantee is no longer employed or providing service for purposes of the Restricted Stock grant.

5. *Change of Control.* The provisions of the Plan applicable to a Change of Control shall apply to the Restricted Stock, and, in the event of a Change of Control, the Committee may take such actions as it deems appropriate pursuant to the Plan.

6. *Dividends.*

(a) Any cash dividend on the Restricted Stock declared before the applicable vesting date will be paid on the applicable payment date to the Participant.

(b) Any stock dividend on the Restricted Stock declared before the applicable vesting date will be paid on the applicable payment date to the Participant, provided that the shares issued in such stock dividend will be considered Restricted Stock for purposes of this Agreement and will be subject to all of the terms, conditions and restrictions set forth in this Agreement.

7. *Grant Subject to Plan Provisions.* This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant of the Restricted Stock is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes, (b) the registration, qualification or listing of the shares of Company Stock issued under the Plan, (c) changes in capitalization of the Company and (d) other requirements of applicable law. The Committee shall have the authority to interpret and construe the Restricted Stock pursuant to the terms of the Plan, and its decisions shall be final, conclusive and binding as to any questions arising hereunder.

8. *No Employment or Other Rights.* The grant of the Restricted Stock shall not confer upon the Grantee any right to be retained by or in the employ or service of the Company or any of its subsidiaries and shall not interfere in any way with the right of the Grantee's employer to terminate the Grantee's employment or service relationship (if any) at any time. The right of the Company or the Grantee's employer to terminate at will the Grantee's employment or service at any time for any reason is specifically reserved, subject to the terms of any employment agreement then in effect between the Company or its successor and the Grantee.

9. *Applicable Law.* The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof. For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

10. *Notice.* Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the Chief Governance and Legal Officer at 230 Park Avenue, 10<sup>th</sup> Floor, New York, NY 10169, U.S.A. or at [corporatesecretary@stonex.com](mailto:corporatesecretary@stonex.com), and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll of the Company, or to such other address as the

Grantee may designate to the Company in writing. Any notice shall be emailed to the applicable email address or shall be delivered by hand, enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service or with such other delivery service that is reasonably anticipated to ensure delivery from outside the United States.

11. *The Company's Rights.* The existence of the Restricted Stock shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Company Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

12. *Amendment.* This Agreement may be amended from time to time by the Committee in its discretion; *provided, however*, that this Agreement may not be modified in a manner that would materially impair the rights of the Grantee, unless the Grantee consents or unless the Committee acts under Section 13(f) of the Plan.

13. *Electronic Delivery of Documents.* By executing the acceptance of this Agreement, the Grantee (i) consents to the electronic delivery of this Agreement, all information with respect to the Plan and the Restricted Stock, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledges that the Grantee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Grantee by contacting the Company by telephone or in writing; (iii) further acknowledges that the Grantee may revoke his or her consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledges that the Grantee understands that he or she is not required to consent to electronic delivery of documents.

#### 14. *Da ta Priva cy.*

(a) In connection with the Plan, the Company and its subsidiaries and affiliates (including, without limitation, the Grantee's employer) may need to use and otherwise process Personal Data provided by the Grantee to, or otherwise obtained by, the Company or its subsidiaries or affiliates, third party service providers or others acting on the Company's behalf. For the purposes hereof, "Personal Data" means (i) any data or information that relates to or is reasonably capable of being directly or indirectly associated with an identified or identifiable individual or household and (ii) any other data or information that is otherwise considered "personal data," "personal information," "personally identifiable information," or any term of comparable intent, under applicable laws or regulations relating to the collection, use, transfer, deletion, protection or other processing of such data or information. The Grantee understands that Personal Data processed in connection with the Plan may include, without limitation, the Grantee's name, account information, home address and telephone number, employee number, employment status, date of birth, social security number or other identification number, tax number, salary, nationality, job title, any shares of Company Stock or directorships held, details of all Restricted Stock or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor.

(b) The Company and its subsidiaries and affiliates may use and otherwise process the Grantee's Personal Data for the performance of this Agreement and other contracts with the Grantee in connection with the Plan, and in their legitimate business interests for all purposes relating to the implementation, administration and management of the Plan and the Grantee's participation therein, including but not limited to: (i) administering and maintaining Grantee records; (ii) providing the services described in the Plan; (iii) providing information to future purchasers or merger partners of the Company, any of its subsidiaries or affiliates, or the business in which the Grantee works; and (iv) responding to public authorities, court orders and legal investigations, and complying with law, as applicable. The Grantee understands that the Grantee's Personal Data collected in connection with the Plan will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the plan or as necessary for the Company and its subsidiaries and affiliates to comply with any legal or regulatory requirements, and in accordance with the Company's or its applicable subsidiary's or affiliate's backup and archival policies and procedures.

(c) The Company and its subsidiaries and affiliates may share the Grantee's Personal Data among themselves and with (i) trustees of any employee benefit trust, (ii) registrars, (iii) brokers, (iv) third party administrators of the Plan (including Merrill Lynch or such other stock plan service provider as may be

selected by the Company in the future), (v) other third party service providers acting on the Company's behalf in connection with the implementation, administration or management of the Plan, (vi) future purchasers or merger partners (as described above), or (vii) regulators and others as required by law. The Grantee understands that the Company or its subsidiaries or affiliates may transfer the Grantee's Personal Data to any of the parties mentioned above in a country or territory that may not provide the same protection for Personal Data as the Grantee's home country. Any transfer of the Grantee's Personal Data to recipients in a third country will be made subject to appropriate safeguards or applicable derogations provided for under applicable law. Further information on those safeguards or derogations can be obtained through, and other questions regarding this Section 14 may be directed to, the Grantee's local human resources representative.

15. *No Future Entitlement.* By executing the acceptance of this Agreement, the Grantee acknowledges and agrees that:

(i) the grant of the Restricted Stock is a one-time benefit which does not create any contractual or other right to receive future grants of Restricted Stock, or compensation in lieu of Restricted Stock, even if Restricted Stock has been granted repeatedly in the past;

(ii) all determinations with respect to any such future grants, including, but not limited to, the times when Restricted Stock shall be granted or shall become vested, the maximum number of shares of Company Stock subject to each grant of Restricted Stock, and the purchase price, if any, will be at the sole discretion of the Committee;

(iii) the shares of Company Stock subject to the Restricted Stock award are extraordinary items that do not constitute compensation or benefits for services rendered to the Company or the Grantee's employer and are outside the scope of the Grantee's employment or service contract, if any;

(iv) shares of Company Stock subject to the Restricted Stock award are not part of normal or expected compensation or salary for any purpose, including, but not limited to, calculating any termination, severance, resignation, redundancy, dismissal, end of service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered compensation for, or relating in any way to, past services for the Company, the Grantee's employer, or any subsidiary or affiliate of the Company;

(v) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock resulting from termination of the Grantee's employment or service by the Company or the Grantee's employer (for any reason whatsoever and whether or not in breach of local labor laws), and in consideration of the grant of the Restricted Stock to which the Grantee is otherwise not entitled, the Grantee irrevocably agrees never to institute any claim against the Company or the Grantee's employer, waives his or her ability, if any, to bring any such claim, and releases the Company and the Grantee's employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Grantee shall be deemed irrevocably to have agreed not to pursue such claim and to execute any and all documents necessary to request dismissal or withdrawal of such claims;

(vi) the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(vii) the Grantee is voluntarily participating in the Plan;

(viii) the shares of Company Stock subject to the Restricted Stock Awards are not intended to replace any pension rights or compensation;

(ix) the Restricted Stock grant and the Grantee's participation in the Plan will not be interpreted to form an employment or service contract or relationship with the Company or any subsidiary of the Company; and

(x) the future value of the shares of Company Stock is unknown and cannot be predicted with certainty.

16. *No Advice Regarding Grant.* The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the Grantee's acquisition or sale of the shares of Company Stock. The Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

17. *Language.* If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

18. *Severability.* The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19. *Imposition of Other Requirements.* The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the Restricted Stock and on any shares of Company Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Restricted Stock Award Agreement as of the Date of Grant.

STONEX GROUP INC.

By: \_\_\_

By electronically acknowledging acceptance of this Agreement, the Grantee agrees to be bound by the terms of the Plan and this Agreement. The Grantee hereby agrees that all decisions and determinations of the Company with respect to the Restricted Stock, whether by the Board, the Committee, or the Chief Executive Officer of the Company, shall be final and binding.

STONEX GROUP INC.

2021 OMNIBUS INCENTIVE COMPENSATION PLAN

LONG TERM INCENTIVE PERFORMANCE-BASED CASH COMPENSATION

AWARD AGREEMENT

This LONG TERM INCENTIVE PERFORMANCE-BASED CASH COMPENSATION AWARD AGREEMENT (the "Agreement"), dated as of \_\_\_\_\_ (the "Date of Grant"), is delivered by StoneX Group Inc. (the "Company") to \_\_\_\_\_ (the "Grantee").

RECITALS

A. The StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan (the "Plan") provides for the grant of long term incentive performance-based cash compensation awards. The Grantee acknowledges that a copy of the Plan has been made available to the Grantee.

B. The Board of Directors of the Company (the "Board") has appointed the Compensation Committee of the Board (the "Committee") to administer the Plan. Pursuant to such authority, the Committee has decided to make an award of long term incentive performance-based cash compensation under the Plan as an inducement for the Grantee to promote the best interests of the Company and its stockholders.

NOW, THEREFORE, the parties to this Agreement, intending to be legally bound hereby, agree as follows:

1. *Grant of Award.* Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants the Grantee an award of long term incentive performance-based cash compensation ("LTIP Award") with a target amount of \$\_\_\_\_\_ ("Target Award").

2. *Performance Period.* This LTIP Award may be earned over a performance period extending from [October 1, \_\_\_\_\_] to [September 30, \_\_\_\_\_] ("Performance Period"). This LTIP Award is an unfunded and unsecured promise to pay (or cause to be paid) to you in cash the amounts described herein on the Payment Date (as defined below) or as otherwise provided herein, subject to the terms and conditions of this Agreement (including the Performance Adjustment (as defined below)).

3. *Interest.* The Target Award shall be increased annually (effective [September 30th of each year]) by an earnings factor ("Interest"), determined as follows: the Interest applicable to your LTIP Award shall be a percentage that is equal to the higher of (a) the Company's effective borrowing rate for a given year or (b) the Company's return on equity ("ROE"); *provided* that, if the amount determined under (a) or (b) is determined to be a percentage that is below 3%, then the Interest shall be 3%; and *provided, further* that, if the amount determined under (a) or (b) is determined to be a percentage that is above 15%, the Interest shall be 15%. For purposes of the Plan and this Award Agreement, both the Company's effective borrowing rate and the ROE shall be determined by either the Committee or the Board, at their sole discretion.

4. *Performance Adjustment.* The LTIP Award shall also be either increased or decreased by a Performance Adjustment. The amount of increase or decrease, if any, in your LTIP Award due to the Performance Adjustment will be equal to the total amount of your LTIP Award at expiration of the Performance Period ending [September 30, \_\_\_\_\_], including all accrued Interest, multiplied by a percentage tied to the average ROE over the Performance Period, determined as follows:

Average ROE† p.a. over Performance Period	% Payout of Award plus Interest
0%*	0%
1% *	25%
2% *	45%
3% *	60%
4% *	70%
5% to 10%	75% to 100%, ratably
10% to 15%	100% to 125%, ratably

† For the purposes of calculating average ROE, a negative ROE in any year shall be considered to be zero.

\* Percentage payout of LTIP Award plus Interest to be ratable per percentage ROE.

The amount of the Performance Adjustment, if any, will be added to or subtracted from your outstanding LTIP Award prior to payment of the LTIP Award; however, the Performance Adjustment will not be subject to or increased by any Interest.

5. *Vesting.* Except as provided in this Section 5, your continued active employment with the Company shall be required through the Payment Date in order to receive a payment.

(a) If the Grantee's employment with the Company or any of its subsidiaries is terminated (i) by the Grantee with Good Reason (as defined in the Plan), or (ii) by the Company or its successors without Cause (as defined in the Plan), and further subject to your execution and non-revocation of a general release of claims in favor of the Company in the form set forth in the Grantee's employment agreement with the Company or its subsidiaries (or in the absence of such a form, in the form provided by the Company in the Company's discretion) within fifty-two (52) days following the date of termination, the following portion of your LTIP Award shall become immediately vested and paid on the sixtieth (60<sup>th</sup>) day following such termination: (1) the accrued value of the LTIP Award as of the latest fiscal quarter plus (2) the remaining nominal amount of the original LTIP grant.<sup>1</sup> The remaining portion of your LTIP Award shall be forfeited upon such a termination.

(b) If (i) the Grantee's employment with the Company or any of its subsidiaries is terminated due to death or Disability (as defined in the Plan), or (ii) if a voluntary termination of the Grantee's employment qualifies as a Retirement (as defined in the Plan), and further subject to your execution and non-revocation of a general release of claims in favor of the Company in the form provided by the Company (or in the case of your death or Disability due to mental incapacity, execution by your estate or representative) within fifty-two (52) days following the date of termination, the following portion of your LTIP Award shall become immediately vested and paid on the sixtieth (60<sup>th</sup>) day following such termination: the accrued value of the LTIP Award as of the latest fiscal quarter. The remaining portion of your LTIP Award shall be forfeited upon such a termination.

6. *Payment.* Subject to satisfaction of the terms and conditions of the Plan and this LTIP Award, you shall receive payment of any portion of the LTIP Award to which you are entitled on the Payment Date. The "Payment Date" with respect to this LTIP Award shall be a date following the end of the Performance Period, but in no event later than the fifteenth (15<sup>th</sup>) day of the third (3<sup>rd</sup>) month

<sup>1</sup> For example, if an executive received a \$100K LTIP grant with a five year Performance Period and is terminated without Cause after 1 year, and the ROE for that year was 15%, the executive would receive an amount equal to (1) the sum of 1/5 of the LTIP grant (\$20,000) plus interest on the entire LTIP grant for one year at the ROE for that year (subject to cap and floor), in this case \$100,000 x 15% (\$15,000) for a total of \$35,000 multiplied by the performance adjustment of 125% which equals \$43,750 ("the accrued value of the LTIP award") plus (2) \$80K.



following the end of the applicable calendar year in which the Performance Period ends. Notwithstanding the foregoing, if you are or become considered by the Company to be one of its "covered employees" within the meaning of Section 162(m) of the Code, payment may be delayed to the extent permitted by Section 409A.

7. *Grant Subject to Plan Provisions.* This grant is made pursuant to the Plan, the terms of which are incorporated herein by reference, and in all respects shall be interpreted in accordance with the Plan. The grant is subject to interpretations, regulations and determinations concerning the Plan established from time to time by the Committee in accordance with the provisions of the Plan, including, but not limited to, provisions pertaining to (a) rights and obligations with respect to withholding taxes and other requirements of applicable law. The Committee shall have the authority to interpret and construe the LTIP Award pursuant to the terms of the Plan, and its decisions shall be final, conclusive and binding as to any questions arising hereunder.

8. *No Employment or Other Rights.* The grant of the LTIP Award shall not confer upon the Grantee any right to be retained by or in the employ or service of the Company or any of its subsidiaries and shall not interfere in any way with the right of the Grantee's employer to terminate the Grantee's employment or service relationship (if any) at any time. The right of the Company or the Grantee's employer to terminate at will the Grantee's employment or service at any time for any reason is specifically reserved, subject to the terms of any employment agreement then in effect between the Company or its successor and the Grantee.

9. *Applicable Law.* The validity, construction, interpretation and effect of this instrument shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to the conflicts of laws provisions thereof. For purposes of litigating any dispute that arises under this grant or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of New York, agree that such litigation shall be conducted in the courts of New York, New York, or the federal courts for the United States for the Southern District of New York, where this grant is made and/or to be performed.

10. *Notice.* Any notice to the Company provided for in this instrument shall be addressed to the Company in care of the Chief Governance and Legal Officer at 230 Park Avenue, 10th Floor, New York, NY 10169, U.S.A. or at [corporatesecretary@stonex.com](mailto:corporatesecretary@stonex.com), and any notice to the Grantee shall be addressed to such Grantee at the current address shown on the payroll of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice shall be emailed to the applicable email address or shall be delivered by hand, enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage prepaid, in a post office regularly maintained by the United States Postal Service or with such other delivery service that is reasonably anticipated to ensure delivery from outside the United States.

11. *The Company's Rights.* The existence of the LTIP Award shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Company Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

12. *Amendment.* This Agreement may be amended from time to time by the Committee in its discretion; *provided*, however, that this Agreement may not be modified in a manner that would materially impair the rights of the Grantee, unless the Grantee consents or unless the Committee acts under Section 13(f) of the Plan.

13. *Electronic Delivery of Documents.* By executing the acceptance of this Agreement, the Grantee (i) consents to the electronic delivery of this Agreement, all information with respect to the Plan and LTIP Award, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledges that the Grantee may receive from the Company a paper copy of any documents delivered electronically at no cost to the Grantee by contacting the Company by telephone or in writing; (iii) further acknowledges that the Grantee may revoke his or her consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic

mail; and (iv) further acknowledges that the Grantee understands that he or she is not required to consent to electronic delivery of documents.

14. *Da ta Priva cy.*

(a) In connection with the Plan, the Company and its subsidiaries and affiliates (including, without limitation, the Grantee's employer) may need to use and otherwise process Personal Data provided by the Grantee to, or otherwise obtained by, the Company or its subsidiaries or affiliates, third party service providers or others acting on the Company's behalf. For the purposes hereof, "Personal Data" means (i) any data or information that relates to or is reasonably capable of being directly or indirectly associated with an identified or identifiable individual or household and (ii) any other data or information that is otherwise considered "personal data," "personal information," "personally identifiable information," or any term of comparable intent, under applicable laws or regulations relating to the collection, use, transfer, deletion, protection or other processing of such data or information. The Grantee understands that Personal Data processed in connection with the Plan may include, without limitation, the Grantee's name, account information, home address and telephone number, employee number, employment status, date of birth, social security number or other identification number, tax number, salary, nationality, job title, any shares of Company Stock or directorships held, details of all Restricted Stock or any other entitlement to shares of stock awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor.

(b) The Company and its subsidiaries and affiliates may use and otherwise process the Grantee's Personal Data for the performance of this Agreement and other contracts with the Grantee in connection with the Plan, and in their legitimate business interests for all purposes relating to the implementation, administration and management of the Plan and the Grantee's participation therein, including but not limited to: (i) administering and maintaining Grantee records; (ii) providing the services described in the Plan; (iii) providing information to future purchasers or merger partners of the Company, any of its subsidiaries or affiliates, or the business in which the Grantee works; and (iv) responding to public authorities, court orders and legal investigations, and complying with law, as applicable. The Grantee understands that the Grantee's Personal Data collected in connection with the Plan will be held only as long as is necessary to implement, administer and manage the Grantee's participation in the plan or as necessary for the Company and its subsidiaries and affiliates to comply with any legal or regulatory requirements, and in accordance with the Company's or its applicable subsidiary's or affiliate's backup and archival policies and procedures.

(c) The Company and its subsidiaries and affiliates may share the Grantee's Personal Data among themselves and with (i) trustees of any employee benefit trust, (ii) registrars, (iii) brokers, (iv) third party administrators of the Plan (including Merrill Lynch or such other stock plan service provider as may be selected by the Company in the future), (v) other third party service providers acting on the Company's behalf in connection with the implementation, administration or management of the Plan, (vi) future purchasers or merger partners (as described above), or (vii) regulators and others as required by law. The Grantee understands that the Company or its subsidiaries or affiliates may transfer the Grantee's Personal Data to any of the parties mentioned above in a country or territory that may not provide the same protection for Personal Data as the Grantee's home country. Any transfer of the Grantee's Personal Data to recipients in a third country will be made subject to appropriate safeguards or applicable derogations provided for under applicable law. Further information on those safeguards or derogations can be obtained through, and other questions regarding this Section 14 may be directed to, the Grantee's local human resources representative.

15. *No Advice Regarding Grant.* The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan or the LTIP Award. The Grantee is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

16. *Language.* If the Grantee has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

17. *Severability.* The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

18. *Imposition of Other Requirements.* The Company reserves the right to impose other requirements on the Grantee's participation in the Plan or on the LTIP Award, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan, and to require the Grantee to execute any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. *Award Agreement.* **THIS LTIP AWARD IS CONDITIONED ON YOUR EXECUTING THE AWARD AGREEMENT AND RETURNING IT TO THE HEAD OF HUMAN RESOURCES BY THE DATE SPECIFIED, AND IS SUBJECT TO ALL TERMS, CONDITIONS AND PROVISIONS OF THE PLAN AND THIS AWARD AGREEMENT. BY EXECUTING THIS AWARD AGREEMENT, YOU WILL HAVE CONFIRMED YOUR ACCEPTANCE OF ALL OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.**

IN WITNESS WHEREOF, the Company has caused this Long Term Incentive Performance-Based Cash Compensation Award Agreement to be duly executed and delivered as of the date hereof.

**STONEX GROUP INC.**

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

Name:

Title:

Receipt acknowledged:

[NAME]

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

Title:

STONEX GROUP INC.

**2021 EXECUTIVE PERFORMANCE PLAN**

**Section 1. Purpose of Plan**

The purpose of the Plan is to promote the success of the Company by providing participating executives with incentive compensation.

**Section 2. Definitions and Terms**

2.1 *Accounting Terms.* Except as otherwise expressly provided or required by the context, financial and accounting terms are used as defined for purposes of, and shall be determined in accordance with, generally accepted accounting principles, as from time to time in effect, as applied and included in the consolidated financial statements of the Company, prepared in the ordinary course of business (“GAAP”).

2.2 *Specific Terms.* The following words and phrases as used herein shall have the following meanings unless a different meaning is plainly required by the context:

“Adjusted EBITDA” for any period means EBITDA for such period, adjusted to reflect the value of the Company's commodities inventory on a marked to market basis and changes in estimated values of forward commitments to purchase and sell commodities.

“Adjusted EBITDA Per Share” for any period means Adjusted EBITDA for such period, divided by the weighted average number of shares of common stock outstanding during the period, as determined in accordance with GAAP for the calculation of basic earnings per share.

“Adjusted EBITDA Growth” means the percentage change in Adjusted EBITDA Per Share for any Year compared to the Adjusted EBITDA Per Share for the prior Year.

“Adjusted Net Income” for any period means the Net Income for such period, adjusted to reflect the value of the Company's commodities inventory on a marked to market basis, changes in estimated values of forward commitments to purchase and sell commodities and an appropriate notional tax adjustment.

“Adjusted Operating Revenues” for any period means the Company's consolidated operating revenues for such period, adjusted to reflect the value of the Company's commodities inventory on a marked to market basis and changes in estimated values of forward commitments to purchase and sell commodities.

“Adjusted Return on Equity” for any Year means the Adjusted Net Income for such Year, divided by the average of the Adjusted Shareholders Equity of the Company at the beginning and end of the Year; subject to, and/or after giving effect to, any adjustments applicable pursuant to Section 4.6.

“Adjusted Shareholders Equity” as of any date means the Company's consolidated common shareholders equity as of such date, adjusted to reflect the cumulative value of adjustments made in the calculation of Adjusted Net Income as defined above.

“Award” means an award under this Plan of a conditional opportunity to receive a Bonus if the applicable Performance Target(s) is (are) satisfied in the applicable Performance Period, or an award of Restricted Stock, the vesting of which will occur if the applicable Performance Target(s) is (are) satisfied in the applicable Performance Period.

“Base Salary” in respect of any Performance Period means the aggregate base annualized salary of a Participant from the Company and all affiliates of the Company at the time the Participant is selected to participate for that Performance Period, exclusive of any variable compensation, commissions or other actual or imputed income from any Company-provided benefits or perquisites, but prior to any reductions

for salary deferred pursuant to any deferred compensation plan or for contributions to a plan qualifying under Section 401(k) of the Code or contributions to a cafeteria plan under Section 125 of the Code.

“Bonus” means a cash payment or a cash payment opportunity under the Plan, as the context requires.

“Business Criteria” means any one of, or a combination of, any of the following: Increase in Share Price, Adjusted Return on Equity, Control of Fixed Costs, Control of Variable Costs and Adjusted EBITDA Growth.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means the Compensation Committee of the Company's Board of Directors or such other Committee as from time to time the Board of Directors may designate to administer the Plan in accordance with Section 3.1 hereof.

“Company” means StoneX Group Inc., a Delaware corporation.

“Control of Fixed Costs” means, in respect of any Performance Period, the percentage derived by dividing the actual fixed costs incurred by the Company, calculated on a consolidated basis, during such Performance Period, by the Performance Target for fixed costs for such Performance Period (which Performance Target will be expressed as a fixed amount).

“Control of Variable Costs” means, in respect of any Performance Period, the percentage derived by dividing the variable costs of the Company, calculated on a consolidated basis and expressed as a percentage of Adjusted Operating Revenues, during such Performance Period, by the Performance Target for the variable costs for such Performance Period (which Performance Target will be expressed as a percentage of Adjusted Operating Revenues).

“EBITDA” for any period means the Net Income of the Company for such period, before (i) interest income; (ii) interest expense; (iii) income taxes; and (iv) depreciation and amortization, but after reduction in respect of pre-tax minority shareholder interests in any subsidiary of the Company.

“Executive” means, as determined by the Committee in its discretion, a key employee (including any officer) of the Company.

“Increase in Share Price” means, in respect of any Performance Period, the percentage increase, if any, in the Share Price during such Performance Period after taking into account any stock split or consolidation.

“Net Income” for any period means the consolidated net income of the Company for such period, as reported in the consolidated financial statements of the Company; subject to, and/or after giving effect to, any adjustments applicable pursuant to Section 4.6.

“Omnibus Plan” means the Company's 2021 Omnibus Incentive Compensation Plan.

“Options” means options to acquire the Company's common stock issued pursuant to the Omnibus Plan.

“Participant” means an Executive selected to participate in the Plan by the Committee.

“Performance Period” means the Year or Years (or portions thereof) with respect to which the Performance Targets are set by the Committee.

“Performance Target(s)” means the specific objective goal or goals that are timely set in writing by the Committee pursuant to Section 4.2 for each Participant for the applicable Performance Period in respect of the Business Criteria.

“Plan” means this 2021 Executive Performance Plan, as amended from time to time.

“Principal Market” means The NASDAQ Global Market.

“Restricted Stock” means an Award of Restricted Stock (as defined under the Omnibus Plan) pursuant to the Omnibus Plan.

“Share Price” shall mean, as of any calculation date, the Weighted Average Price for such calculation date.

“Shares” means shares of common stock of the Company or any securities or property, including rights into which the same may be converted by operation of law or otherwise.

“Substitute Options” has the meaning provided in Section 4.11.

“Trading Day” means any day on which the Shares are traded on the Principal Market, or, if the Principal Market is not the principal trading market for the Shares, then on the principal securities exchange or securities market on which the Shares are then traded; provided that “Trading Day” shall not include any day that the Shares are suspended from trading during the final hour of trading on such exchange or market (or if such exchange or market does not designate in advance the closing time of trading on such exchange or market, then during the hour ending at 4:00:00 p.m., New York time).

“Weighted Average Price” means, for the Shares as of any calculation date, the dollar volume-weighted average price for the Shares on the Principal Market for the forty (40) Trading Days starting with the twentieth (20th) Trading Day prior to the calculation date, based on the volume-weighted average price for the Shares for each such Trading Day, beginning at 9:30:01 a.m., New York time (or such other time as the Principal Market publicly announces is the official open of trading), and ending at 4:01:00 p.m., New York time (or one minute after such other time as the Principal Market publicly announces is the official close of trading) as reported by Bloomberg through its “Volume at Price” functions, or, if the foregoing does not apply, the dollar volume-weighted average price of the Shares in the over-the-counter market on the electronic bulletin board for such security during the period beginning at 9:30:01 a.m., New York time (or such other time as such market publicly announces is the official open of trading), and ending at 4:01:00 p.m., New York time (or one minute after such other time as such market publicly announces is the official close of trading) as reported by Bloomberg, or, if no dollar volume-weighted average price is reported for the Shares by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Shares as reported in the “pink sheets” by Pink Sheets LLC (formerly the National Quotation Bureau, Inc.). If the Weighted Average Price cannot be calculated for the Shares on a particular date on any of the foregoing bases, the Weighted Average Price of such Shares on such date shall be the fair market value as determined by the Committee. All such determinations are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during the applicable calculation period.

“Year” means a fiscal year of the Company commencing on or after October 1, 2020 that constitutes all or part of the applicable Performance Period and ends no later than September 30, 2025.

### **Section 3. Administration of the Plan**

3.1 *The Committee.* The Plan shall be administered by the Committee.

3.2 *Powers of the Committee.* The Committee shall have the sole authority to establish and administer the Business Criteria and Performance Target(s) and the responsibility of determining from among the Executives those persons who will participate in and receive Awards under the Plan and, subject to the terms of the Plan, the amount or Shares under such Awards, and the time or times at which and the form and manner in which Awards will be paid (which may include elective or mandatory deferral alternatives) and shall otherwise be responsible for the administration of the Plan, in accordance with its terms. The Committee shall have the authority to construe and interpret the Plan (except as otherwise provided herein) and any agreement or other document relating to any Awards under the Plan, may adopt rules and regulations governing the administration of the Plan, and shall exercise all other duties and powers conferred on it by the Plan, or which are incidental or ancillary thereto. The

Committee's interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be final, conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder.

3.3 *Requisite Action.* A majority (but not fewer than two) of the members of the Committee shall constitute a quorum. The vote of a majority of those present at a meeting at which a quorum is present or the unanimous written consent of the Committee shall constitute action by the Committee.

3.4 *Express Authority (and Limitations on Authority) to Change Terms and Conditions of Awards; Acceleration or Deferral of Payment.* Without limiting the Committee's authority under other provisions of the Plan, but subject to any express limitations of the Plan, the Committee shall have the authority to accelerate an Award (after the attainment of the applicable Performance Target(s)) and to waive restrictive conditions for an Award (including any forfeiture conditions, but not Performance Target(s)), in such circumstances as the Committee deems appropriate. In the case of any acceleration of an Award after the attainment of the applicable Performance Target(s), the amount payable shall be discounted to its present value using an interest rate equal to Moody's Average Corporate Bond Yield for the month preceding the month in which such acceleration occurs. Any deferred payment shall be subject to Section 4.9 and, if applicable, Section 4.10. In addition, and notwithstanding anything elsewhere in the Plan to the contrary, the Committee shall have the authority to provide under the terms of an Award that payment or vesting shall be accelerated upon the death or disability of a Participant, a change in control of the Company, or upon termination of the Participant's employment without cause or as a constructive termination, as and in the manner provided by the Committee.

#### **Section 4. Bonus Awards**

4.1 *Provision for Bonus.* Pursuant to the Plan, the Bonus for which each Participant is eligible will be based on the Business Criteria established pursuant to the Plan. Each Year, for each Participant, the Committee will establish a specific Performance Target with respect to the Business Criteria, along with a targeted amount of Bonus payable if such Performance Target is achieved. If a Performance Target is exceeded with respect to the Business Criteria, the Bonus payable may go up, whereas if a Performance Target is not attained, the Bonus payable may go down, all in accordance with the Committee's determinations pursuant to the Plan. For each Year, the applicable Performance Targets and Performance Periods, as well as target Bonuses for each of the Participants, will be determined by the Committee based upon the same Business Criteria and consistent with the terms of the Plan. Notwithstanding the fact that the Performance Target(s) have been attained in any Year, the Company may pay a Bonus of less than the amount determined by the formula or standard established pursuant to Section 4.2 or may pay no Bonus at all, unless the Committee otherwise expressly provides by written contract or other written commitment.

4.2 *Selection of Performance Target(s).* The specific Performance Target(s) with respect to the Business Criteria shall be established by the Committee. The Performance Target(s) with respect to any Performance Period may be established on a cumulative basis or in the alternative, and may be established on a stand-alone basis with respect to the Company or on an a relative basis with respect to any peer companies or index selected by the Committee. At the time the Performance Target(s) are selected, the Committee shall provide, in terms of an objective formula or standard for each Participant, and for any person who may become a Participant after the Performance Target(s) are set, the method of computing the specific amount that will represent the maximum amount of Bonus payable to the Participant if the Performance Target(s) are attained, subject to Sections 4.1, 4.3, 4.7 and 5.1. The objective formula or standard shall preclude the use of discretion to increase the maximum amount of any Bonus earned pursuant to the terms of the Award.

4.3 *Maximum Individual Bonus.* Notwithstanding any other provision hereof, no Executive shall receive a Bonus under the Plan, or under a combination of the Plan and any other applicable compensation plans of the Company, for any one Year in excess of eight million five hundred thousand dollars (\$8,500,000.00). The foregoing limit shall be subject to adjustments consistent with Section 3.4 in the event of acceleration or deferral.



4.4 *Selection of Participants.* For each Performance Period, the Committee shall determine, at the time the Business Criteria and the Performance Target(s) are set, those Executives who will participate in the Plan.

4.5 *Effect of Mid-Year Commencement of Service; Termination of Employment.* To the extent compatible with Section 4.2, if services as an Executive commence or an Executive's position with the Company changes (e.g., a promotion), in either case after the adoption of the Plan and the Performance Target(s) are established for a Performance Period the Committee may grant a Bonus that is proportionately adjusted based on the period of actual service during the Year or actual service in each of the Executive's role during the Year, as applicable. The amount of any Bonus paid to an Executive whose services commence after the adoption of the Plan and the Performance Target(s) are established for a Performance Period shall not exceed that proportionate amount of the applicable maximum individual bonus under Section 4.3. In the event of the termination of employment of a Participant prior to the payment of a Bonus, the Participant shall not be entitled to any payment in respect of the Bonus, unless otherwise expressly provided by the terms of the Awards or other written contract with the Company.

4.6 *Adjustments.* The Committee may, in its sole discretion, make appropriate adjustments to the Business Criteria, Performance Targets or other features of an Award. Such adjustments may include, but shall not be limited to:

(a) To preserve the intended incentives and benefits of an Award based on Adjusted EBITDA Growth or Adjusted Return on Equity, the Committee may apply the objective formula or standard with respect to the applicable Performance Target in a manner that eliminates, in whole or in part, in such manner as is specified by the Committee, the effects of the following:

- (i) the gain, loss, income or expense resulting from changes in accounting principles that become effective during the Performance Period;
- (ii) the gain, loss, income or expense reported by the Company in its public filings with respect to the Performance Period that are extraordinary or unusual in nature or infrequent in occurrence, excluding gains or losses on the early extinguishment of debt; and
- (iii) the gains or losses resulting from, and the direct expenses incurred in connection with, the disposition of a business, in whole or in part.

(b) The Committee may provide that one or more of the foregoing adjustments will not be made as to a specific Award. In addition, the Committee may determine that other adjustments shall apply to the objective formula or standard with respect to the applicable Performance Target to take into account, in whole or in part, in any manner specified by the Committee, any one or more of the following with respect to the Performance Period:

- (i) gain or loss from all or certain claims and/or litigation and all or certain insurance recoveries relating to claims or litigation;
- (ii) the impact of impairment of tangible or intangible assets;
- (iii) the impact of restructuring activities, including but not limited to reductions in force, that are reported in the Company's public filings covering the Performance Period, and
- (iv) the impact of investments or acquisitions made during the year or, to the extent provided by the Committee, any prior year.

(c) Each of the adjustments described in this Section 4.6 may relate to the Company as a whole or any part of the business or operations of the Company or its affiliates, as determined by the Committee. The adjustments are to be determined in accordance with GAAP, unless another objective method of measurement is designated by the Committee.

(d) The Committee may also make appropriate adjustments to the Business Criteria, Performance Targets or other features of an Award, to reflect the following: (i) a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) a merger, reorganization or consolidation or (iii) a reclassification or change in par value.

4.7 *Committee Discretion to Determine Bonuses.* The Committee has the sole discretion to determine the standard or formula pursuant to which each Participant's Bonus shall be calculated (in

accordance with Sections 4.1 and 4.2), whether all or any portion of the amount so calculated will be paid, and the specific amount (if any) to be paid to each Participant, subject in all cases to the terms, conditions and limits of the Plan and of any other written commitment authorized by the Committee. To this same extent, the Committee may at any time establish (and, once established, rescind, waive or amend) additional conditions and terms of payment of Bonuses (including but not limited to the achievement of other financial, strategic or individual goals, which may be objective or subjective) as it may deem desirable in carrying out the purposes of the Plan and may take into account such other factors as it deems appropriate in administering any aspect of the Plan. The Committee may not, however, increase the maximum amount permitted to be paid to any individual under Section 4.2 or Section 4.3 of the Plan or award a Bonus under this Plan if the qualifying ranges of Performance Target(s) have not been satisfied.

4.8 *Committee Certification.* No Executive shall receive any payment under the Plan unless the Committee has certified, by resolution or other appropriate action in writing, that the amount thereof has been accurately determined in accordance with the terms, conditions and limits of the Plan and that the Performance Target(s) and any other material terms previously established by the Committee or set forth in the Plan were in fact satisfied.

4.9 *Time of Payment; Deferred Amounts.* Any Bonuses granted by the Committee under the Plan shall be paid as soon as practicable following the Committee's determinations under this Section 4 and the certification of the Committee's findings under Section 4.8; provided, however, that in no event will any Bonuses be paid later than March 15 of the year following the year in which a Performance Target has been satisfied. Any such payment shall be in cash or cash equivalent or in such other form of equal value on such payment date (including Restricted Stock as contemplated by Section 4.10) as the Committee may approve or require, subject to applicable withholding requirements and, if applicable, Section 4.10. Notwithstanding the foregoing, the Committee, in its sole discretion (but subject to any prior written commitments and to any conditions consistent with Sections 3.4, 4.3 and 4.10 that it deems appropriate), will defer the vesting of any portion or all (at the Committee's election) of any Bonus as contemplated by Section 4.10.

4.10 *Payouts of Bonus through Restricted Stock.* Subject to Sections 4.11 and 4.12, a portion of any Bonus payable under the Plan will be paid in the form of Restricted Stock issued to the Participant at a discount of 25% to the market closing price of the Company's common stock on the Trading Day prior to the day on which the Committee approves such Bonus, which Restricted Stock will vest at the rate of one-third per year, with the first one-third to vest at the end of the first year and each subsequent one-third to vest at the end of each subsequent year, all as specified with greater particularity in a Grant Instrument (as defined in the Omnibus Plan) entered into in accordance with the Omnibus Plan. The specific portion of each Bonus payable in Restricted Stock pursuant to this Section 4.10 in respect of any Performance Period will be based on a schedule (the "Restricted Stock Schedule") established by the Committee in its discretion at or about the time the Committee establishes the Performance Targets applicable during such Performance Period. In its discretion, the Committee may waive the provisions of this Section 4.10 and choose to pay 100% of any Bonus payable under the Plan, regardless of amount, entirely in cash (for example, in the case of a Participant who already holds a substantial number of Shares). Likewise, in its discretion, the Committee may alter the vesting period or reduce the discount applicable to any Restricted Stock award hereunder. In the event sufficient Shares are not available pursuant to the Omnibus Plan to pay any portion of any Bonus in Restricted Stock in accordance with this Section 4.10, then such portion of the Bonus will be payable in cash.

4.11 *Election to Receive Options in Lieu of Restricted Stock.* At the option of the Committee, in those cases in which any part of a Bonus is to be paid to a Participant in the form of Restricted Stock, a Participant may be granted the right to elect to exchange all or a portion of the shares of such Restricted Stock (or the right to receive the same) for Options pursuant to and in accordance with the Omnibus Plan (the "Substitute Options"); provided that such election is made prior to the beginning of the applicable Year to which the Bonus relates and otherwise complies with Section 409A of the Code. The Substitute Options will have such terms as may be approved by the Committee, subject to the terms of the Omnibus Plan.

4.12 *Maximum Awards.* Without limiting the terms of the Omnibus Plan, the maximum number of Shares that may be subject to Restricted Stock granted to any one Participant pursuant to

Section 4.10 shall be limited to forty thousand (40,000) Shares per Year, subject to adjustment to reflect changes in corporate capitalization in the same manner as provided in the Omnibus Plan.

## **Section 5. General Provisions**

5.1 *No Right to Awards or Continued Employment.* Neither the establishment of the Plan nor the provision for or payment of any amounts hereunder nor any action of the Company (including, for purposes of this Section 5.1, any predecessor or subsidiary), the Board of Directors of the Company or the Committee in respect of the Plan shall be held or construed to confer upon any person any legal right to receive, or any interest in, an Award or any other benefit under the Plan, or any legal right to be continued in the employ of the Company. The Company expressly reserves any and all rights to discharge an Executive in its sole discretion, without liability of any person, entity or governing body under the Plan or otherwise. Nothing in this Section 5.1, however, is intended to adversely affect any express independent right of any person under a separate employment agreement. Notwithstanding any other provision hereof and notwithstanding the fact that the Performance Target(s) have been attained and/or the individual maximum amounts hereunder have been calculated, the Company shall have no obligation to pay any Bonus hereunder nor to pay the maximum amount so calculated or any prorated amount based on service during the period, unless the Committee otherwise expressly provides by written contract or other written commitment.

5.2 *Discretion of Company, Board of Directors and Committee.* Any decision made or action taken by the Company or by the Board of Directors of the Company or by the Committee arising out of or in connection with the creation, amendment, construction, administration, interpretation and effect of the Plan shall be within the absolute discretion of such entity and shall be conclusive and binding upon all persons. No member of the Committee shall have any liability for actions taken or omitted under the Plan by the member or any other person.

5.3 *No Funding of Plan.* The Company shall not be required to fund or otherwise segregate any cash or any other assets which may at any time be paid to Participants under the Plan. The Plan shall constitute an "unfunded" plan of the Company. The Company shall not, by any provisions of the Plan, be deemed to be a trustee of any property, and any rights of any Participant or former Participant shall be no greater than those of a general unsecured creditor or shareholder of the Company, as the case may be.

5.4 *Non-Transferability of Benefits and Interests.* Except as expressly provided by the Committee, no benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such attempted action shall be void and no such benefit shall be in any manner liable for or subject to debts, contracts, liabilities, engagements or torts of any Participant or former Participant. This Section 5.4 shall not apply to an assignment of a contingency or payment due (i) after the death of a Participant to the deceased Participant's legal representative or beneficiary or (ii) after the disability of a Participant to the disabled Participant's personal representative.

5.5 *Law to Govern.* All questions pertaining to the construction, regulation, interpretation, validity and effect of the provisions of the Plan shall be governed and construed by and determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of laws provisions thereof.

5.6 *Non-Exclusivity.* The Plan does not limit the authority of the Company, the Board or the Committee, or any subsidiary of the Company to grant awards or authorize any other compensation to any person under any other plan or authority, including, without limitation, the issuance of Restricted Stock under the Omnibus Plan.

## **Section 6. Amendments, Suspension or Termination of Plan**

The Board of Directors or the Committee may from time to time amend, suspend or terminate the Plan in whole or in part, and if suspended or terminated, may reinstate, any or all of the provisions of the Plan, in each case without the approval of the stockholders of the Company, any Executive or any other person or entity.

## STONEX GROUP INC.

### CLAWBACK POLICY

This StoneX Group Inc. Clawback Policy (this “Clawback Policy”) applies to certain incentive-based compensation paid to Covered Executives of StoneX Group Inc. (the “Company”), to the extent permitted by applicable law. This Clawback Policy shall be effect as of May 21, 2021 (the “Effective Date”).

#### **Section 1. Definitions**

- a. “Board” means the Board of Directors of the Company.
- b. “Committee” means the Compensation Committee of the Board.
- c. “Covered Executive” means any current “officer” of the Company (as defined under Rule 16a- 1(f) under the Securities Exchange Act of 1934, as amended).
- d. “Incentive-Based Compensation” means any annual or long-term incentive compensation (whether paid in cash or equity) granted or, in the case of cash, earned after the Effective Date, including, for the avoidance of doubt, all performance-based awards under the StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan (as may be amended from time to time and any successor plan thereto).

#### **Section 2. Triggering Events**

Pursuant to this Clawback Policy, the Committee may, in its discretion and in accordance with principles established by the Committee from time to time, approve the recoupment, repayment or forfeiture, as applicable, of any Incentive-Based Compensation paid to the Covered Executives, as follows (each, a “Triggering Event”):

- a. the amount of Incentive-Based Compensation paid was based on the achievement of financial results that were subsequently the subject of a material accounting restatement that occurred within three years of such payment (except in the case of a restatement due to a change in accounting policy or simple error);
- b. the Covered Executive engaged in fraud, gross negligence or intentional misconduct; or
- c. the Covered Executive deliberately misled the market or the Company’s stockholders regarding the Company’s financial performance.

#### **Section 3. Committee Discretion**

The amount of any Incentive-Based Compensation subject to recoupment, repayment or forfeiture under this Clawback Policy, as applicable, will be determined by the Committee in its discretion, subject to the terms of this Clawback Policy. Any recoupment of Incentive-Based Compensation shall be made on an after-tax basis.

In determining the amount of the recoupment, recovery or forfeiture, as applicable, the Committee will take into consideration all relevant factors, including, in the case of any equity securities received on exercise or settlement of an award, the proceeds realized on disposition of such equity securities, the nature and severity of any conduct, its impact on the Company, the costs to the Company of seeking recoupment, recovery or forfeiture, as applicable, and the amount of Incentive-Based Compensation the Covered Executive would have received had such conduct been known or otherwise not occurred or had such Company financials and/or performance metrics been accurately reported or had not otherwise contained a material error, as applicable. The Committee will have the authority to take any and all steps necessary to ensure the applicable amount of such Incentive-Based Compensation is recovered.

#### **Section 4. Delegation and Authority**

The Committee may delegate to officers of the Company the authority to enforce the recoupment, recovery or forfeiture of compensation, as determined under this Clawback Policy. All determinations by

the Committee (or its delegate) regarding the recoupment, repayment or forfeiture of Incentive-Based Compensation under this Clawback Policy, including any determination to not seek recoupment, repayment or forfeiture following a Triggering Event, will be subject to review and final approval by the non-employee directors of the Board.

#### ***Section 5. Indemnification***

The Company shall not indemnify any Covered Executive, directly or indirectly, for any losses that such Covered Executive may incur in connection with the recovery of any compensation as set forth in this Clawback Policy, including through the payment of insurance premiums or gross-up payments.

#### ***Section 6. Other Company Policies and Applicable Law***

Any applicable employment agreement, award agreement or other document setting forth the terms and conditions of any compensation covered by this Clawback Policy shall be deemed to include the restrictions imposed herein and incorporate this Clawback Policy by reference and, in the event of any inconsistency, the terms of this Clawback Policy will govern. Any recovery, recoupment or forfeiture of Incentive-Based Compensation under this Clawback Policy shall be in addition to any other remedies that may be available to the Company, the Board or the Committee under the StoneX Group Inc. 2021 Omnibus Incentive Compensation Plan (or any award thereunder), the Company's annual cash-based incentive plan or program or any other Company plan, policy or arrangement, as well as applicable law or stock market or exchange rules or regulations. To the extent that any applicable law or stock market or exchange rules or regulations permit or require recovery of compensation in circumstances in addition to those specified herein, nothing in this Clawback Policy will be deemed to limit or restrict the right or obligation of the Company to recover such compensation to the fullest extent permitted or required by such law, rules or regulations.

#### ***Section 7. Amendment and Termination***

This Clawback Policy may be amended or terminated by the Committee at any time, subject to approval by the Committee. This Clawback Policy will be reviewed and modified if necessary to ensure compliance with applicable law, including the Dodd-Frank Wall Street Reform and Consumer Protection Act.

#### ***Section 8. Enforceability***

If any provision of this Clawback Policy is determined to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted by applicable law, and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required under applicable law.

FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS FIFTH AMENDMENT TO CREDIT AGREEMENT (this "Agreement"), dated as of June 18, 2021, is entered into among STONEX GROUP INC. (f/k/a INTL FCSTONE INC.), a Delaware corporation (the "Borrower"), the Guarantors party hereto, the Lenders party hereto, and BANK OF AMERICA, N.A., as Administrative Agent (in such capacity, the "Administrative Agent"), Swing Line Lender and L/C Issuer. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Credit Agreement (as defined below).

RECITALS

WHEREAS, the Borrower, the Lenders from time to time party thereto and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, are parties to that certain Amended and Restated Credit Agreement, dated as of February 22, 2019 (as amended or modified from time to time, the "Credit Agreement");

WHEREAS, the Borrower has requested that the Administrative Agent and the Lenders amend the Credit Agreement, subject to the terms and conditions specified in this Agreement; and

WHEREAS, the Administrative Agent and the Lenders party hereto are willing to amend the Credit Agreement, subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Amendments to Credit Agreement.

(a) The following definitions in Section 1.01 of the Credit Agreement are hereby amended and restated in its entirety to read as follows:

"Aggregate Revolving Commitments" means the Revolving Commitments of all the Lenders. The amount of the Aggregate Revolving Commitments in effect on the Fifth Amendment Effective Date is \$236,050,000.

"Maturity Date" means August 22, 2022; provided, however, that, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day

(b) The following definitions are hereby added to Section 1.01 of the Credit Agreement in the appropriate alphabetical order to read as follows:

"Available Tenor" means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an Interest Period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

"Benchmark" means, initially, LIBOR; provided that if a replacement of the Benchmark has occurred pursuant to Section 3.03(c) then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to "Benchmark" shall include, as applicable, the published component used in the calculation thereof.

"Benchmark Replacement" means:

(1) For purposes of Section 3.03(c)(i), the first alternative set forth below that can be determined by the Administrative Agent:

(a) the sum of: (i) Term SOFR and (ii) 0.11448% (11.448 basis points) for an Available Tenor of one-month's duration, 0.26161% (26.161 basis points) for an Available Tenor of three-months' duration, 0.42826% (42.826 basis points) for an Available Tenor of six-months' duration, and 0.71513% (71.513 basis points) for an Available Tenor of twelve-months' duration, or

(b) the sum of: (i) Daily Simple SOFR and (ii) 0.26161% (26.161 basis points);

provided that, if initially LIBOR is replaced with the rate contained in clause (b) above (Daily Simple SOFR plus the applicable spread adjustment) and subsequent to such replacement, the Administrative Agent determines that Term SOFR has become available and is administratively feasible for the Administrative Agent in its sole discretion, and the Administrative Agent notifies the Borrower and each Lender of such availability, then from and after the beginning of the Interest Period, relevant interest payment date or payment period for interest calculated, in each case, commencing no less than thirty (30) days after the date of such notice, the Benchmark Replacement shall be as set forth in clause (a) above; and

(2) For purposes of Section 3.03(c)(ii), the sum of (a) the alternate benchmark rate and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Administrative Agent and the Borrower as the replacement Benchmark giving due consideration to any evolving or then-prevailing market convention, including any applicable recommendations made by a Relevant Governmental Body, for U.S. dollar-denominated syndicated credit facilities at such time;

provided that, if the Benchmark Replacement as determined pursuant to clause (1) or (2) above would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement and the other Loan Documents.

Any Benchmark Replacement shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Administrative Agent, such Benchmark Replacement shall be applied in a manner as otherwise reasonably determined by the Administrative Agent.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Benchmark Transition Event" means, with respect to any then-current Benchmark other than LIBOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark or a

Governmental Authority with jurisdiction over such administrator announcing or stating that all Available Tenors are or will no longer be representative, or made available, or used for determining the interest rate of loans, or shall or will otherwise cease, provided that, at the time of such statement or publication, there is no successor administrator that is satisfactory to the Administrative Agent, that will continue to provide any representative tenors of such Benchmark after such specific date.

“Daily Simple SOFR” with respect to any applicable determination date means the secured overnight financing rate (“SOFR”) published on such date by the Federal Reserve Bank of New York, as the administrator of the benchmark (or a successor administrator) on the Federal Reserve Bank of New York’s website (or any successor source).

“Early Opt-in Effective Date” means, with respect to any Early Opt-in Election, the sixth (6th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, so long as the Administrative Agent has not received, by 5:00 p.m. (New York City time) on the fifth (5th) Business Day after the date notice of such Early Opt-in Election is provided to the Lenders, written notice of objection to such Early Opt-in Election from Lenders comprising the Required Lenders.

“Early Opt-in Election” means the occurrence of:

(1) a determination by the Administrative Agent, or a notification by the Borrower to the Administrative Agent that the Borrower has made a determination, that U.S. dollar-denominated syndicated credit facilities currently being executed, or that include language similar to that contained in Section 3.03(c), are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR, and

(2) the joint election by the Administrative Agent and the Borrower to replace LIBOR with a Benchmark Replacement and the provision by the Administrative Agent of written notice of such election to the Lenders.

“Fifth Amendment Effective Date” means June 18, 2021.

“Other Rate Early Opt-in” means the Administrative Agent and the Borrower have elected to replace LIBOR with a Benchmark Replacement other than a SOFR-based rate pursuant to (1) an Early Opt-in Election and (2) Section 3.03(c)(ii) and paragraph (2) of the definition of “Benchmark Replacement”.

“Relevant Governmental Body” means the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors of the Federal Reserve System or the Federal Reserve Bank of New York, or any successor thereto.

“SOFR Early Opt-in” means the Administrative Agent and the Borrower have elected to replace LIBOR pursuant to (1) an Early Opt-in Election and (2) Section 3.03(c)(i) and paragraph (1) of the definition of “Benchmark Replacement”.

“Term SOFR” means, for the applicable corresponding tenor (or if any Available Tenor of a Benchmark does not correspond to an Available Tenor for the applicable Benchmark Replacement, the closest corresponding Available Tenor and if such Available Tenor corresponds equally to two Available Tenors of the applicable Benchmark Replacement, the corresponding tenor of the shorter duration shall be applied), the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.



(c) The definitions of “LIBOR Screen Rate”, “LIBOR Successor Rate”, “LIBOR Successor Rate Conforming Changes” and “Scheduled Unavailability Date” in Section 1.01 of the Credit Agreement are hereby deleted in their entirety.

(d) The introductory paragraph of Section 2.01(d) of the Credit Agreement is hereby amended to read as follows:

The Borrower shall have the right, upon at least five Business Days’ prior written notice to the Administrative Agent, to increase the Aggregate Revolving Commitments (but not the Letter of Credit Sublimit or Swing Line Sublimit) and/or establish one or more Incremental Term Facilities, by a maximum aggregate amount not to exceed \$0 in the aggregate, at any time prior to the date that is six months prior to the Maturity Date, subject, however, in any such case, to satisfaction of the following conditions precedent:

(e) A new Section 3.03(c) is hereby added to the Credit Agreement to read as follows:

(c) Notwithstanding anything to the contrary herein or in any other Loan Document:

(i) On March 5, 2021 the Financial Conduct Authority (“FCA”), the regulatory supervisor of LIBOR’s administrator (“IBA”), announced in a public statement the future cessation or loss of representativeness of overnight/Spot Next, 1-week, 1-month, 2-month, 3-month, 6-month and 12- month U.S. dollar LIBOR tenor settings. On the earliest of (A) the date that all Available Tenors of U.S dollar LIBOR have permanently or indefinitely ceased to be provided by IBA or have been announced by the FCA pursuant to public statement or publication of information to be no longer representative, (B) June 30, 2023 and (C) the Early Opt-in Effective Date in respect of a SOFR Early Opt-in, if the then-current Benchmark is LIBOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Simple SOFR, all interest payments will be payable on a quarterly basis.

(ii) (x) Upon (A) the occurrence of a Benchmark Transition Event or (B) a determination by the Administrative Agent that neither of the alternatives under clause (1) of the definition of Benchmark Replacement are available, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Administrative Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Required Lenders (and any such objection shall be conclusive and binding absent manifest error); provided that solely in the event that the then-current Benchmark at the time of such Benchmark Transition Event is not a SOFR-based rate, the Benchmark Replacement therefor shall be determined in accordance with clause (1) of the definition of Benchmark Replacement unless the Administrative Agent determines that neither of such alternative rates is available.

(y) On the Early Opt-in Effective Date in respect of an Other Rate Early Opt-in, the Benchmark Replacement will replace LIBOR for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document.

(iii) At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any request for a borrowing of, conversion to or continuation of Loans to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Administrative Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Base Rate Loans. During the period referenced in the foregoing sentence, the component of Base Rate based upon the Benchmark will not be used in any determination of Base Rate.

(iv) In connection with the implementation and administration of a Benchmark Replacement, the Administrative Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(v) The Administrative Agent will promptly notify the Borrower and the Lenders of (A) the implementation of any Benchmark Replacement and (B) the effectiveness of any Benchmark Replacement Conforming Changes. Any determination, decision or election that may be made by the Administrative Agent pursuant to this Section 3.03(c), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 3.03(c).

(vi) At any time (including in connection with the implementation of a Benchmark Replacement), (A) if the then-current Benchmark is a term rate (including Term SOFR or LIBOR), then the Administrative Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (B) the Administrative Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

(f) Section 3.07 of the Credit Agreement is hereby amended to read as follows:

**Section 3.07 [Reserved].**

(g) The Revolving Commitments and Applicable Percentage of Revolving Commitments on Schedule 2.01 to the Credit Agreement is hereby deleted and replaced with the Revolving Commitments and Applicable Percentage of Revolving Commitments on Schedule 2.01 attached hereto.

2. Effectiveness; Condition Precedent. This Agreement shall be effective upon satisfaction of the following conditions precedent:

(a) receipt by the Administrative Agent of copies of this Agreement duly executed by the Borrower, the Guarantors and the Lenders;

(b) receipt by the Administrative Agent of favorable opinions of legal counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, dated as of the Fifth Amendment Effective Date, and in form and substance satisfactory to the Administrative Agent;

(c) receipt by the Administrative Agent of the following, in form and substance satisfactory to the Administrative Agent: (i) a certificate of a Responsible Officer of each Loan Party certifying that such Loan Party has not modified its Organization Documents since such documents were delivered in connection with the Credit Agreement to the Administrative Agent, or if such documents have been modified, attaching and certifying copies of such modified Organization Documents, certified to be true and complete as of a recent date by the appropriate Governmental Authority of the state or other jurisdiction of its incorporation or organization, where applicable, and certified by such Responsible Officer of such Loan Party to be true and correct as of the Fifth Amendment Effective Date; (ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement; and (iii) such documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and is validly existing, in good standing and qualified to engage in business in its state of organization or formation;

(d) receipt by the Administrative Agent of a certificate signed by a Responsible Officer of the Borrower certifying that the conditions specified in Section 6 have been satisfied;

(e) receipt by the Administrative Agent of a fee for each Lender consenting to this Agreement in an amount equal to the sum of (i) 0.05% of such Lender's Revolving Commitment (after giving effect to this Amendment) plus (ii) 0.05% of such Lender's portion of the Term Loan outstanding on the date hereof; and

(f) receipt by the Administrative Agent of a fee for each Lender increasing its Revolving Commitment in an amount equal to 0.075% on the amount by which such Lender's Revolving Commitment on the Fifth Amendment Effective Date is greater than its Revolving Commitment immediately prior to the Fifth Amendment Effective Date.

3. Expenses. The Loan Parties agree to reimburse the Administrative Agent for all reasonable documented out-of-pocket costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Agreement, including without limitation the reasonable documented fees and expenses of Moore & Van Allen PLLC.

4. Ratification of Credit Agreement. Each Loan Party acknowledges and consents to the terms set forth herein and agrees that this Agreement does not impair, reduce or limit any of its obligations under the Loan Documents, as amended hereby. This Agreement is a Loan Document.

5. Authority/Enforceability. Each Loan Party represents and warrants as follows:

(a) It has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(b) This Agreement has been duly executed and delivered by such Loan Party and constitutes its legal, valid and binding obligations, enforceable in accordance with its terms, except as such enforceability may be subject to (i) applicable Debtor Relief Laws and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) No material consent, approval, authorization or order of, or filing, registration or qualification with, any court or Governmental Authority or third party is required in connection with the execution, delivery or performance by such Loan Party of this Agreement.

(d) The execution and delivery of this Agreement does not (i) violate, contravene or conflict with any provision of its Organization Documents or (ii) materially violate, contravene or conflict with any Laws applicable to it.

6. Representations and Warranties of the Loan Parties. Each Loan Party represents and warrants to the Lenders that, after giving effect to this Agreement, (a) the representations and warranties contained in Article VI of the Credit Agreement (as amended by this Agreement) or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects (or in all respects, if such representation and warranty is already qualified by materiality or reference to Material Adverse Effect) on and as of the date of this Agreement, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects (or in all respects, if such representation or and warranty is already qualified by materiality or reference to Material Adverse Effect) as of such earlier date, and (b) no event has occurred and is continuing which constitutes a Default.

7. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by fax transmission or e-mail transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart of this Agreement. Subject to Section 11.17 of the Credit Agreement, this Agreement may be in the form of an Electronic Record (as defined in the Credit Agreement) and may be executed using Electronic Signatures (as defined in the Credit Agreement), including facsimile and .pdf, and shall be considered an original, and shall have the same legal effect, validity and enforceability as a paper record.

8. GOVERNING LAW. THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

9. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

10. Headings. The headings of the sections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

11. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

[remainder of page intentionally left blank]

Each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BORROWER: STONEX GROUP INC., (f/k/a INTL FCSTONE INC.),  
a Delaware corporation

By: /s/ Sean M. O'Connor  
Name: Sean M. O'Connor  
Title: President/Chief Executive Officer

By: /s/ Kevin Murphy  
Name: Kevin Murphy  
Title: Group Treasurer

GUARANTORS: STONEX BULLION INC. (f/k/a INTL FCSTONE ASSETS, INC.),  
a Florida corporation

By: /s/ Sean M. O'Connor  
Name: Sean M. O'Connor  
Title: Chief Executive Officer

FCSTONE MERCHANT SERVICES, LLC,  
a Delaware limited liability company

By: /s/ William J. Dunaway  
Name: William J. Dunaway  
Title: Treasurer

FCSTONE GROUP, INC.,  
a Delaware corporation

By: /s/ William J. Dunaway  
Name: William J. Dunaway  
Title: Chief Financial Officer

STONEX MARKETS LLC (f/k/a INTL FCSTONE MARKETS, LLC),  
an Iowa limited liability company

By: /s/ William J. Dunaway  
Name: William J. Dunaway  
Title: Chief Financial Officer

STONEX TECHNOLOGY SERVICES LLC (f/k/a INTL TECHNOLOGY SERVICES, LLC), a Delaware limited liability company

By: /s/ William J. Dunaway  
Name: William J. Dunaway  
Title: Chief Financial Officer

STONEX (NETHERLANDS) B.V. (f/k/a INTL FCSTONE (NETHERLANDS) BV), a private company with limited liability incorporated under the laws of the Netherlands

By: /s/ William J. Dunaway  
Name: William J. Dunaway  
Title: Director

GAIN CAPITAL HOLDINGS, INC., a Delaware corporation

By: /s/ Glenn Stevens  
Name: Glenn Stevens  
Title: President & CEO

GAIN HOLDINGS, LLC., a Delaware corporation

By: /s/ Glenn Stevens  
Name: Glenn Stevens  
Title: Manager

GLOBAL FUTURES & FOREX, LTD., a Michigan corporation

By: /s/ Alexander Bobinski Name: Alexander Bobinski  
Title: Manager

S.L. BRUCE FINANCIAL CORPORATION, an Ohio Corporation

By: /s/ Alexander Bobinski Name: Alexander  
Bobinski Title: Manager

GCAM, LLC,  
a Delaware limited liability company

By: /s/ Glenn Stevens  
Name: Glenn Stevens  
Title: Manager

GAIN CAPITAL HOLDINGS INTERNATIONAL, LLC,  
a Delaware limited liability company

By: /s/ Glenn Stevens  
Name: Glenn Stevens  
Title: Manager

ADMINISTRATIVE

AGENT: BANK OF AMERICA, N.A.,  
as Administrative Agent

By: /s/ Kyle D. Harding  
Name: Kyle D. Harding  
Title: Vice President

LENDERS: BANK OF AMERICA, N.A.,  
as a Lender, L/C Issuer and Swing Line Lender

By: /s/ Maryanne Fitzmaurice  
Name: Maryanne Fitzmaurice  
Title: Director

CAPITAL ONE, NATIONAL ASSOCIATION,  
as a Lender

By: /s/ Elizabeth Masciopinto  
Name: Elizabeth Masciopinto  
Title: Duly Authorized Signatory

SIGNATURE BANK,  
as a Lender

By: /s/ Richard Ohl  
Name: Richard Ohl  
Title: SVP, Sr. Lender

BMO HARRIS BANK N.A.,  
as a Lender

By: /s/ Matthew Witt  
Name: Matthew Witt  
Title: Vice President

BANKUNITED, N.A.,  
as a Lender

By: /s/ John S. Wamboldt  
Name: John S. Wamboldt  
Title: SVP



CIBC BANK USA,  
as a Lender

By: /s/ Michael King  
Name: Michael King  
Title: Managing Director

BARCLAYS BANK PLC,  
as a Lender

By: /s/ Jurgens Human  
Name: Jurgens Human  
Title: Director, Financial Institutions Group

Executed in New York

CADENCE BANK, N.A.,  
as a Lender

By: /s/ Hoyt Elliott  
Name: Hoyt Elliott  
Title: Vice President

THE HUNTINGTON NATIONAL BANK,  
as a Lender

By: /s/ William F. Sweeney  
Name: William F. Sweeney  
Title: Senior Vice President

WEBSTER BANK, NATIONAL ASSOCIATION,  
as a Lender

By: /s/ Philip Falivene  
Name: Philip Falivene  
Title: Senior Vice President

TRISTATE CAPITAL BANK,  
as a Lender

By: /s/ Ellen Frank  
Name: Ellen Frank  
Title: Senior Vice President

INVESTORS BANK,  
as a Lender

By: /s/ Lou Iaccuci  
Name: Lou Iaccuci  
Title: Senior Vice President

BANK OF HOPE,  
as a Lender

By: /s/ Keri Svancara  
Name: Keri Svancara  
Title: Senior Vice President

**EIGHTEENTH AMENDMENT TO  
AMENDED AND RESTATED CREDIT AGREEMENT**

This Eighteenth Amendment to Amended and Restated Credit Agreement (herein, the “*Amendment*”) is entered into as of April 2, 2021, by and among StoneX Financial Inc. (f/k/a INTL FCStone Financial Inc.), a Florida corporation (“*Borrower*”), StoneX Group Inc. (f/k/a INTL FCStone Inc.), a Delaware corporation, as the Guarantor, the financial institutions party to this Amendment, as lenders (the “*Lenders*”), and Bank of Montreal, as administrative agent (the “*Administrative Agent*”).

**PRELIMINARY STATEMENTS**

A. The Borrower, the Guarantor, the Lenders and the Administrative Agent entered into a certain Amended and Restated Credit Agreement dated as of June 21, 2010, as amended (the “*Credit Agreement*”). All capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

B. The Borrower has requested that the Lenders amend the Credit Agreement, and the Lenders are willing to do so under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**SECTION 1. AMENDMENTS.**

Subject to the satisfaction of the conditions precedent set forth in Section 2 below, the Credit Agreement shall be and hereby is amended as follows:

1.1. Section 1.1 of the Credit Agreement shall be amended and restated to read in its entirety as follows:

*Section 1.1. Commitments.* (a) Subject to the terms and conditions hereof, each Lender, by its acceptance hereof, severally agrees to make a loan or loans (individually a “*Revolving Loan*” and collectively for all the Lenders the “*Revolving Loans*”) in U.S. Dollars to the Borrower from time to time on a revolving basis up to the amount of such Lender’s Commitment, subject to any reductions thereof pursuant to the terms hereof, before the Termination Date. Each Borrowing of Revolving Loans shall be made ratably by the Lenders in proportion to their respective Percentages. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to the terms and conditions hereof.

(b) The foregoing notwithstanding:

(i) the sum of the aggregate principal amount of

Revolving Loans and Swing Loans at any time outstanding shall not exceed the Commitments in effect at such time,

(ii) the aggregate principal amount of the Reserve Loans at any time outstanding shall not exceed the Borrowing Base (Reserve) as then determined and computed, and

(iii) the aggregate principal amount of NSCC Margin Loans at any time outstanding shall not exceed the Borrowing Base (NSCC) as then determined and computed.

1.2. The third sentence appearing in Section 1.4(a) of the Credit Agreement shall be amended and restated to read in its entirety as follows:

All such notices concerning the advance of a Borrowing shall specify the date of the requested advance of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced and whether such Borrowing is a Margin Loan, a NSCC Margin Loan or a Reserve Loan.

1.3. Section 1.7(b) of the Credit Agreement shall be amended and restated to read in its entirety as follows:

(b) *Mandatory.* Without limiting anything contained herein, the Borrower agrees to the following:

(i) if at any time any Loan remains outstanding for five (5) or more Business Days after such Loan was advanced by the Lenders, the Borrower shall immediately and without notice or demand pay over the amount of such Loan to the Administrative Agent for the account of the Lenders as and for a mandatory prepayment on such Obligations;

(ii) if at any time the sum of the principal amount of the NSCC Margin Loans then outstanding shall be in excess of the Borrowing Base (NSCC Margin) as then determined and computed, the Borrower shall immediately and without notice or demand pay over the amount of the excess to the Administrative Agent as and for a mandatory prepayment on such Obligations;

(iii) without notice or demand, prepay any NSCC Margin Loan in full on the date upon which the NSCC Margin Deposits funded from the proceeds of such NSCC Margin Loan are returned to the Borrower;

(iv) if at any time the sum of the principal amount of the Reserve Loans then outstanding shall be in excess of the Borrowing Base (Reserve) as then determined and computed, the Borrower shall immediately and without notice or demand pay over the amount of the excess to the Administrative Agent as and for a mandatory prepayment on such Obligations;

(v) without notice or demand, prepay any Reserve Loan on the next computation date of the Reserve Account in an amount equal to the lesser of (A) the full amount of such Reserve Loan and (B) the amount of excess cash that is permitted to be withdrawn from the Reserve Account; and

(vi) The Borrower shall, on each date the Commitments are reduced pursuant to Section 1.10 hereof, prepay the Revolving Loans and Swing Loans, by the amount, if any, necessary to reduce the sum of the aggregate principal amount of Revolving Loans and Swing Loans then outstanding to the amount to which the Commitments have been so reduced.

1.4. Section 5.1 of the Credit Agreement shall be and hereby is amended by (i) amending and restating certain defined terms set forth below and (ii) inserting new defined terms in their appropriate alphabetical order, in each case to read in their entirety as follows:

*“Adequate Assurance Deposit”* means an NSCC Deposit Requirement, in excess of ordinary course NSCC Deposit Requirements, pursuant to NSCC Rule 15, section 2(b).

*“Borrowing Base (NSCC)”* means, as of any time it is to be determined, an amount equal to 80% of the excess, if any, of the Eligible NSCC Margin Deposits of the Borrower at such time over the Eligible NSCC Margin Deposits in effect as at the close of business on the day in the prior calendar month (or if the certificate for such prior calendar month has not been delivered pursuant to Section 8.5 hereof, the preceding calendar month) that was the day having the 10th lowest Eligible NSCC Margin Deposits of the Borrower during such calendar month; *provided*, that in no event shall at any time the Borrowing Base (NSCC Margin) exceeds the amount of the Eligible NSCC Margin Deposits of the Borrower at such time.

*“Borrowing Base (Reserve)”* means, as of any time it is to be determined, an amount equal to 100% of an amount equal to the difference of (A) the requested withdrawals of customers’ cash from the Reserve Account, less (B) cash received by the Borrower that is required to be deposited into the Reserve Account in accordance with the most recent Reserve Account computation, *less* (C) the aggregate principal amount of Reserve Loans advanced to the Borrower relating to such requested withdrawal (whether such Loans remain outstanding or have been repaid), in each case from the date of such requested withdrawal through the date the Borrower requests a Borrowing hereunder relating to such requested withdrawal.

*“DTC”* means The Depository Trust Company and its successors and assigns.

*“Eighteenth Amendment Effective Date”* means April 2, 2021.

“*Eligible NSCC Margin Deposits*” means those NSCC Margin Deposits of the Borrower, other than any such deposits relating to individual transactions that are outstanding for more than five (5) Business Days and excluding such portions of NSCC Margin Deposits that (a) relate to losses incurred by the Borrower for its own account or the account of any of its Affiliates and (b) as reasonably determined by the Borrower, acting in good faith, are subject to any counterclaim, deduction, defense, setoff or similar rights by NSCC or DTC other than to the extent constituting or arising out of the underlying obligation for which such deposit was delivered (but only to the extent of any such counterclaim, deduction, defense, setoff or similar rights); *provided, however*, that the Market Value of Eligible NSCC Margin Deposits shall not at any time exceed the NSCC Deposit Requirements applicable to the Borrower at such time.

“*Margin Loan*” means a Revolving Loan or a Swingline Loan, the proceeds of which are used to finance commercial customer margin calls at various futures and options exchange clearinghouses.

“*NSCC*” means the National Securities Clearing Corporation.

“*NSCC Deposit Requirements*” means cash collateral requirements established by NSCC in connection with securities clearing services provided by NSCC, as such requirements may be amended, supplemented or otherwise modified from time to time.

“*NSCC Margin Loan*” means a Revolving Loan or a Swingline Loan, the proceeds of which are used to finance the NSCC Deposit Requirements (other than an Adequate Assurance Deposit).

“*NSCC Margin Deposits*” means deposits made by the Borrower with NSCC in connection with securities clearing services provided to it by NSCC.

“*Regulatory Authority*” means, with respect to a Loan Party, FINRA, the SEC and all other examining and regulating authorities with jurisdiction over such Loan Party.

“*Reserve Account*” means one or more bank accounts of the Borrower specified as a “Special Reserve Bank Account for the Exclusive Benefit of Customers” in accordance with Rule 15c3-3 of the SEC.

“*Reserve Loan*” means a Revolving Loan or a Swingline Loan, the proceeds of which are used to finance customer withdrawals from the Reserve Account.

“*Revolving Loan*” is defined in Section 1.1 hereof, and as so defined, includes a Margin Loan, a NSCC Loan and a Reserve Loan, each of which is a “*type*” of Loan hereunder.

“*SEC*” means the United States Securities and Exchange Commission.

“*Settlement Account*” means an account of the Borrower maintained with the Administrative Agent for the settlement of transactions together with any account established in connection with any extension, renewal or substitution thereof, in each case as such Settlement Account may be renumbered or re-titled from time to time.

“*Swing Loan*” and “*Swing Loans*” each is defined in Section 1.5 hereof, and as so defined, includes a Margin Loan, a NSCC Loan and a Reserve Loan, each of which is a “*type*” of Loan hereunder.

“*Termination Date*” means the earliest to occur of (i) April 1, 2022, (ii) the Business Day immediately succeeding the date on which a Termination Event occurs, or (iii) such earlier date on which the Commitments are terminated in whole pursuant to Section 1.10, 9.2 or 9.3 hereof.

“*Termination Event*” means the occurrence of any of the following:

(a) the NSCC requires the Borrower to make an Adequate Assurance Deposit or any other clearinghouse imposes a similar requirement on the Borrower;

(b) one or more Regulatory Authorities imposes fines, levies, or other monetary penalties (including the disgorgement of profits) against the Borrower in excess of \$5,000,000 individually or in the aggregate;

(c) any Regulatory Authority requires that a material portion of the Borrower’s business be suspended or otherwise prohibited from operating for a period of five (5) or more Business Days, including the suspension, revocation or termination of the Borrower as a broker-dealer with the SEC or as a member of a Regulatory Authority;

(d) the Borrower enters into a settlement with any Person (including any Regulatory Authority), and the Borrower is obligated to pay an amount in excess of \$15,000,000 as part of such settlement;

(e) one or more Regulatory Authorities imposes a fine, levy or other monetary penalty against the Borrower’s then current Chief Executive Officer, Chief Financial Officer or Chief Compliance Officer in excess of \$500,000;

(f) the Borrower’s then current Chief Executive Officer, Chief Financial Officer or Chief Compliance Officer enters into a settlement with any Person (including any Regulatory Authority), and such Chief Executive Officer, Chief Financial Officer or Chief Compliance Officer is

obligated to pay an amount in excess of \$1,500,000 as part of such settlement; or

(g) the Borrower’s then current Chief Executive Officer, Chief Financial Officer or Chief Compliance is suspended by a Regulatory Authority in any capacity for any reason for a period of five (5) or more Business Days or expelled by a Regulatory Authority.

1.5. The first sentence appearing in Section 6.4 of the Credit Agreement shall be amended and restated to read in its entirety as follows:

The Borrower shall use the proceeds of (i) the Margin Loans to finance commercial customer margin calls at various futures and options exchange

clearinghouses, (ii) the NSCC Margin Loans to finance NSCC Deposit Requirements (other than an Adequate Assurance Deposit), and (iii) the Reserve Loans to finance customer withdrawals from the Reserve Account.

1.6. Section 7.1 of the Credit Agreement shall be amended and restated to read in its entirety as follows:

*Section 7.1. All Credit Events.* At the time of each Credit Event hereunder:

(a) each of the representations and warranties set forth herein and in the other Loan Documents shall be and remain true and correct as of said time, except to the extent the same expressly relate to an earlier date;

(b) no Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event;

(c) the Administrative Agent shall have received a Notice of Borrowing, which shall include evidence that after giving effect to such Credit Event: (i) the aggregate principal amount of all Loans outstanding under this Agreement shall not exceed the Commitment; (ii) the aggregate principal amount of NSCC Margin Loans at any time outstanding shall not exceed the NSCC Borrowing Base as then determined and computed, (iii) the aggregate principal amount of Reserve Loans at any time outstanding shall not exceed the Reserve Borrowing Base,

(d) no Termination Event has occurred; and

(e) such Credit Event shall not violate any order, judgment or decree of any court or other authority or any provision of law or regulation applicable to the Administrative Agent or any

Lender (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System) as then in effect.

Each request for a Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date on such Credit Event as to the facts specified in subsections (a), (b), (c), (d) and (e), of this Section; *provided, however*, that the Lenders may continue to make advances under the Credit, in the sole discretion of the Lenders, notwithstanding the failure of the Borrower to satisfy one or more of the conditions set forth above and any such advances so made shall not be deemed a waiver of any Default or Event of Default or other condition set forth above that may then exist.

1.7. Section 8.5(a)(iii) of the Credit Agreement shall be amended and restated to read in its entirety as follows:



(a)(iii) as soon as available, and in any event within five (5) days after the close of each fiscal month, a certificate in the form of Exhibit G attached hereto from the Borrower indicating the Eligible NSCC Margin Deposits of the Borrower in effect for each Business Day in the most recently ended fiscal month.

1.8. Section 8.22 of the Credit Agreement shall be amended and restated to read in its entirety as follows:

*Section 8.22. Settlement and Clearing Accounts.* (a) Not later than May 2, 2021 (or such later date as may be extended by the Administrative Agent in its sole discretion), the Borrower shall maintain all of its exchange settlement and clearing accounts with the Administrative Agent or one of the Affiliates. Upon establishing the Settlement Account, the Borrower shall promptly deliver evidence to the Administrative Agent that the Borrower has directed the NSCC to return the NSCC Margin Deposits to the Settlement Account.

(b) The Borrower hereby agrees that during any period when it may itself make withdrawals, transfers or other dispositions of funds in the Settlement Account it shall do so only (A) to the extent that immediately after such withdrawal, transfer or other disposition, the sum of (x) the aggregate amount of cash in the Settlement Account (other than with respect to amounts on deposit therein that can fairly be identified by the Borrower as being attributable to the Settlement Bank Obligations) plus (y) an amount equal to 80% of the Eligible NSCC Margin Deposits is at least equal to the aggregate principal amount of the NSCC Margin Loans outstanding at such time or (B) to make payments on account of the Obligations. On or prior to the Eighteenth Amendment Effective Date, the Borrower shall direct NSCC to return any NSCC Margin Deposits to be returned to the Settlement Account. The Borrower shall cause such direction to be in full force and effect at all times until all the Obligations have been fully paid and performed and the Commitment has been terminated.

1.9. Section 9.1(b) of the Credit Agreement shall be amended and restated to read in its entirety as follows:

(b) default in the observance or performance of any covenant set forth in Sections 8.1, 8.5, 8.7, 8.8, 8.9, 8.10, 8.11, 8.12, 8.14, 8.15, 8.16, 8.18, 8.19, 8.21 or 8.22 hereof or of any;

1.10. Exhibit A to the Credit Agreement shall be amended and restated in the form of Exhibit A attached hereto.

1.11. The Credit Agreement shall be further amended by inserting a new Exhibit G immediately after Exhibit F in the form of Exhibit G attached hereto.

## SECTION 2. CONDITIONS PRECEDENT.

This Amendment shall become effective upon satisfaction of all of the following conditions precedent:

2.1. The Borrower, the Guarantor, the Lenders and the Administrative Agent shall have executed and delivered this Amendment.

2.2. The Administrative Agent shall have received good standing certificates for each of the Borrower and the Guarantor from the Secretary of State from the state of its incorporation (dated no earlier than 30 days prior to the date of this Amendment).

2.3. Legal matters incident to the execution and delivery of this Amendment shall be satisfactory to the Administrative Agent and its counsel.

### SECTION 3. REPRESENTATIONS.

3.1. In order to induce the Administrative Agent and the Lenders to execute and deliver this Amendment, the Borrower hereby represents to the Administrative Agent and the Lenders that as of the date hereof (a) the representations and warranties set forth in Section 6 of the Credit Agreement are and shall be and remain true and correct in all material respects (except to the extent that such representations and warranties relate to an earlier date) and (b) it is in compliance with the terms and conditions of the Credit Agreement and no Default or Event of Default has occurred and is continuing under the Credit Agreement or shall result after giving effect to this Amendment.

3.2. The Borrower and the Guarantor (collectively, the “*Loan Parties*”) hereby certifies that: (x) the copies of such Loan Party’s organizational documents (*i.e.*, articles of incorporation or organization and by-laws or operating agreement, etc.) previously delivered to the Administrative Agent under the Loan Documents continue to be true, correct and complete, have not been amended or otherwise modified since the date of such delivery, and are in full force and effect on the date hereof; (y) the resolutions of such Loan Party delivered in connection with the Loan Documents and on file with the Administrative Agent have not been amended, modified,

supplemented or restated, and such resolutions are in full force and effect on the date hereof, and (z) each Person previously identified by such Loan Party to sign any Loan Document on behalf of such Loan Party continues to be so authorized on the date hereof and is authorized to sign this Amendment.

### SECTION 4. MISCELLANEOUS.

4.1. Except as specifically amended herein, the Credit Agreement, including without limitation the Guarantees set forth in Section 11 thereof and the Notes issued pursuant to Section 1.9 thereof, shall continue in full force and effect in accordance with its original terms. Reference to this specific Amendment need not be made in the Credit Agreement, the Notes, or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement, any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby.

4.2. The Borrower agrees to pay on demand all out of pocket costs and expenses of or incurred by the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Amendment, including the fees and expenses of counsel for the Administrative Agent.

4.3. This Amendment may be executed in any number of counterparts, and by the different parties on different counterpart signature pages, all of which taken together shall constitute one and the same agreement. Any of the parties hereto may execute this Amendment by signing any such counterpart and each of such counterparts shall for all purposes be deemed to be an original. Delivery of executed counterparts of this Amendment by telecopy or by e-mail transmission of an Adobe portable document format file (also known as a "PDF" file) shall be effective as an original. This Amendment shall be governed by the internal laws of the State of Illinois.

This Eighteenth Amendment to Amended and Restated Credit Agreement is entered into as of the date and year first above written.

STONEX FINANCIAL INC. (INTL FCStone Financial Inc.), as the Borrower

By /s/ William J. Dunaway  
Name William J. Dunaway  
Title Chief Financial Officer

By /s/ Kevin T. Murphy  
Name Kevin T. Murphy  
Title Group Treasurer

STONEX GROUP INC. (f/k/a INTL FCStone Inc.), as the Guarantor

By /s/ William J. Dunaway  
Name William J. Dunaway  
Title Chief Financial Officer

By /s/ Kevin T. Murphy  
Name Kevin T. Murphy  
Title Group Treasurer

Accepted and agreed to.

BANK OF MONTREAL, as Administrative Agent

By /s/ Krupa Tantuwaya  
Name Krupa Tantuwaya  
Title Director

BMO HARRIS FINANCING, INC., as a Lender

By /s/ Krupa Tantuwaya  
Name Krupa Tantuwaya  
Title Director

[Signature Page to Eighteenth Amendment to Amended and Restated Credit Agreement]

FINAL DRAFT

# USD 50,000,000 single currency revolving facility agreement

Originally dated 14 October 2020, as amended by amendment and restatement agreements dated 7 December 2020 and 2021

**StoneX Financial Ltd**  
(the Borrower)

**StoneX Group Inc.**  
(the Parent)

**Barclays Bank PLC**  
(as Agent)

Dentons UK and Middle East LLP  
One Fleet Place  
London EC4M 7WS  
United Kingdom  
DX 242

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## Facility agreement

### 1 Dated

### 2 Between

- (1) **StoneX Group Inc.**, a corporation incorporated in Delaware in the US with registered number 2141726 (the **Parent**);
- (2) **StoneX Financial Ltd**, a company incorporated in England and Wales with registered number 05616586 (the **Borrower**);
- (3) The financial institutions listed in Schedule 1 (*The Lenders*) as lenders (the **Original Lenders**); and
- (4) **Barclays Bank PLC** as agent of the other Finance Parties (the **Agent**).

### 3 It is agreed:

## Section – Interpretation

### 1 Definitions and interpretation

#### 1.1 Definitions

In this Agreement:

1 **Acceptable Bank** means:

(a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor's Rating Services or Fitch Ratings Ltd or A3 or higher by Moody's Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or

2 (b) any other bank or financial institution approved by the Agent.

3 **Accordion Option** means the option available to the Borrower (in accordance with Clause 2.6 (*Accordion option*)) to request an increase in the Total Commitments.

4 **Accordion Option Notice** means a notice substantially in the form set out in Schedule 10 (*Form of Accordion Option Notice*).

5 **Affiliate** means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

6 **Ancillary Commencement Date** means, in relation to an Ancillary Facility, the date on which that Ancillary Facility is first made available, which date shall be a Business Day within the Availability Period for the Facility.

7 **Ancillary Commitment** means, in relation to an Ancillary Lender and an Ancillary Facility, the maximum amount which that Ancillary Lender has agreed (whether or not subject to satisfaction of conditions precedent) to make available from time to time under an Ancillary Facility and which has been authorised as such under Clause 6 (*Ancillary Facilities*) to the

extent that amount is not cancelled or reduced under this Agreement or the Ancillary Documents relating to that Ancillary Facility.

8 **Ancillary Document** means each document relating to or evidencing the terms of an Ancillary Facility.

9 **Ancillary Facility** means any ancillary facility made available by an Ancillary Lender in accordance with Clause 6 (*Ancillary Facilities*).

10 **Ancillary Lender** means each Lender (or Affiliate of a Lender) which makes available an Ancillary Facility in accordance with Clause 6 (*Ancillary Facilities*).

11 **Ancillary Outstandings** means, at any time, in relation to an Ancillary Lender and an Ancillary Facility then in force the aggregate of the following amounts outstanding under that Ancillary Facility:

- (a) the principal amount under each overdraft facility and on-demand short term loan facility (net of any Available Credit Balance);
- (b) the face amount of each guarantee, bond and letter of credit under that Ancillary Facility; and
- (c) the amount fairly representing the aggregate exposure (excluding interest and similar charges) of that Ancillary Lender under each other type of accommodation provided under that Ancillary Facility,

in each case as determined by such Ancillary Lender, acting reasonably in accordance with its normal banking practice and in accordance with the relevant Ancillary Document.

12 **Assignment Agreement** means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor and assignee.

13 **Authorisation** means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration.

**Availability Period** means the period from and including the date of this Agreement to and including the date falling one Month before the Termination Date.

14 **Available Commitment** means a Lender's Commitment minus (subject as set out below):

- (a) the amount of its participation in any outstanding Loans and the aggregate of its Ancillary Commitments; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made on or before the proposed Utilisation Date and the amount of its and its Affiliate's Ancillary Commitment in relation to any new Ancillary Facility that is due to be made available on or before the proposed Utilisation Date.

For the purposes of calculating a Lender's Available Commitment in relation to any proposed Loan the following amounts shall not be deducted from that Lender's Commitment:

- (i) that Lender's participation in any Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date; and
- (ii) that Lender's (and its Affiliate's) Ancillary Commitments to the extent that they are due to be reduced or cancelled on or before the proposed Utilisation Date.

15 **Available Credit Balance** means, in relation to an Ancillary Facility, credit balances on any account of the Borrower with the Ancillary Lender making available that Ancillary Facility to the extent that those credit balances are freely available to be set off by that Ancillary Lender against liabilities owed to it by the Borrower under that Ancillary Facility.

16 **Available Facility** means the aggregate for the time being of each Lender's Available Commitment.

17 **Benefit Plan** means any of:

- 18 (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA;
- 19 (b) a "plan" as defined in and subject to Section 4975 of the Code; or
- (c) any entity whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

20 **Borrower Group** means the Borrower and its Subsidiaries for the time being.

21 **Break Costs** means the amount (if any) by which:

- (a) the interest which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

22 **Business Day** means a day (other than a Saturday or Sunday) on which banks are open for general business in London and New York.

23 **Cash Equivalent Investments** means at any time:

- (a) certificates of deposit maturing within one year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State or by an instrumentality or agency of any of them having an equivalent credit rating, maturing

within one year after the relevant date of calculation and not convertible or exchangeable to any other security;

- (c) commercial paper not convertible or exchangeable to any other security:
  - (i) for which a recognised trading market exists;
  - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
  - (iii) which matures within one year after the relevant date of calculation; and
  - (iv) which has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which:
  - (i) have a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investors Service Limited; and
  - (ii) invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above,  
to the extent that investment can be turned into cash on not more than 30 days' notice;
- (f) repurchase agreements entered into by any entity with a bank or trust company (including any of the Lenders) or recognised securities dealer having capital and surplus in excess of USD 500,000,000 for direct obligations issued by or fully guaranteed by the government of the United States of America, or the government of the United Kingdom, in which such entity shall have a perfected first priority security interest (subject to no other Security) and having, on the date of purchase thereof, a fair market value of at least 100 per cent of the amount of the repurchase obligations; or
- (g) any other debt security approved by the Majority Lenders,

in each case, to which any Obligor or member of the Borrower Group is alone (or together with any other Obligor or member of the Borrower Group) beneficially entitled at that time and which is not issued or guaranteed by any any Obligor or member of the Borrower Group or subject to any Security.

**Central Bank Rate** means:

- (a) the short-term interest rate target set by the US Federal Open Market Committee as published by the Federal Reserve Bank of New York from time to time; or

- (b) if that target is not a single figure, the arithmetic mean of:
  - (i) the upper bound of the short-term interest rate target range set by the US Federal Open Market Committee and published by the Federal Reserve Bank of New York; and
  - (ii) the lower bound of that target range.

**Central Bank Rate Adjustment** means in relation to the Central Bank Rate prevailing at close of business on any SOFR Banking Day, the mean (calculated by the Agent (or by any other Finance Party which agrees to do so in place of the Agent)) of the Central Bank Rate Spreads for the five most immediately preceding SOFR Banking Days for which SOFR was available, excluding the days with the highest (and, if there is more than one highest spread, only one of those highest spreads) and lowest spreads (and, if there is more than one lowest spread, only one of those lowest spreads) to the Central Bank Rate.

**Central Bank Rate Spread** means, in relation to any SOFR Banking Day, the difference (expressed as a percentage rate per annum) calculated by the Agent (or by any other Finance Party which agrees to do so in place of the Agent) of:

- (a) SOFR for that SOFR Banking Day; and
- (b) the Central Bank Rate prevailing at close of business on that SOFR Banking Day.

**Code** means the US Internal Revenue Code of 1986.

24 **Commitment** means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading "Commitment" in Schedule 1 (*The Lenders*) and the amount of any other Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*); and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement or assumed by it in accordance with Clause 2.2 (*Increase*) or Clause 2.6 (*Accordion option*),

to the extent not cancelled, reduced or transferred by it under this Agreement.

25 **Compliance Certificate** means a certificate substantially in the form set out in Schedule 6 (*Form of Compliance Certificate*).

26 **Confidential Information** means all information relating to the Borrower, any Obligor, the Group, the Finance Documents or the Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or the Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes information that:

- (i) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 37 (*Confidential Information*);
- (ii) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers;
- (iii) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraphs (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality.

27 **Confidentiality Undertaking** means a confidentiality undertaking substantially in a form recommended by the LMA or in any other form agreed between the Borrower and the Agent.

28 **CTA** means the Corporation Tax Act 2009.

29 **Daily Rate** means, for any SOFR Banking Day:

- (a) SOFR for that SOFR Banking Day;
- (b) if SOFR is not available for that SOFR Banking Day, the percentage rate per annum which is the aggregate of:
  - (i) the Central Bank Rate for that SOFR Banking Day; and
  - (ii) the applicable Central Bank Rate Adjustment; or
- (c) if paragraph (b) above applies but the Central Bank Rate for that day is not available, the percentage rate per annum which is the aggregate of:
  - (i) the most recent Central Bank Rate for a day which is no more than five SOFR Banking Days before that day; and
  - (ii) the applicable Central Bank Rate Adjustment.

30 **Debt Purchase Transaction** means, in relation to a person, a transaction where such person:

- (a) purchases by way of assignment or transfer;
- (b) enters into any sub-participation in respect of; or
- (c) enters into any other agreement or arrangement having an economic effect substantially similar to a sub-participation in respect of,

any Commitment or amount outstanding under this Agreement.

31 **Default** means an Event of Default or any event or circumstance specified in Clause 23 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

32 **Defaulting Lender** means any Lender:

- (a) which has failed to make its participation in a Loan available (or has notified the Agent or the Parent (which has notified the Agent) that it will not make its participation in a Loan available) by the Utilisation Date of that Loan in accordance with Clause 5.4 (*Lenders' participation*);
- (b) which has otherwise rescinded or repudiated a Finance Document; or
- (c) with respect to which an Insolvency Event has occurred and is continuing,

unless, in the case of paragraph (a) above:

- (i) its failure to pay is caused by:
  - (A) administrative or technical error; or
  - (B) a Disruption Event,and payment is made within five Business Days of its due date; or
- (ii) the Lender is disputing in good faith whether it is contractually obliged to make the payment in question:

33 **Designated Gross Amount** means the amount notified by the Borrower to the Agent upon the establishment of a Multi-account Overdraft as being the maximum amount of Gross Outstandings that will, at any time, be outstanding under that Multi-account Overdraft.

34 **Designated Net Amount** means the amount notified by the Borrower to the Agent upon the establishment of a Multi-account Overdraft as being the maximum amount of Net Outstandings that will, at any time, be outstanding under that Multi-account Overdraft.

35 **Disruption Event** means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; or
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
  - (i) from performing its payment obligations under the Finance Documents; or
  - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

36 **Effective Date** means the "Effective Date" as defined in the Second Amendment and Restatement Agreement.

**Eligible Institution** means any Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower and which, in each case, is not a member of the Group.

37 **Enhanced Daily Rate** means, in relation to any day, the percentage rate per annum which is the aggregate of:

(a) the Daily Rate for that day, or if that day is not a SOFR Banking Day, the immediately preceding SOFR Banking Day; and

38 (b) 0.00644 per cent. per annum,

39 and, in each case, if that rate is less than zero, the Enhanced Daily Rate shall be deemed to be zero.

40 **ERISA** means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

41 **ERISA Affiliate** means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

42 **Event of Default** means any event or circumstance specified as such in Clause 23 (*Events of Default*).

43 **Extension Option** means the option of the Borrower to request an extension of the Termination Date in accordance with the provisions of Clause 2.5 (*Extension Option*).

44 **Extension Request** means a request made by the Borrower under Clause 2.5 (*Extension Option*) to extend the Termination Date substantially in the form of Schedule 7 (*Form of Extension Request*).

45 **Facility** means the revolving loan facility made available under this Agreement as described in paragraph (a) of Clause 2 (*The Facility*).

46 **Facility Office** means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days' written notice) as the office or offices through which it will perform its obligations under this Agreement.

47 **FATCA** means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or



(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

48 **FATCA Application Date** means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

**FATCA Deduction** means a deduction or withholding from a payment under a Finance Document required by FATCA.

49 **FATCA Exempt Party** means a Party that is entitled to receive payments free from any FATCA Deduction.

50 **FCA** means the Financial Conduct Authority, or any of its authorised successors.

51 **Fee Letter** means:

(a) any letter or letters dated on or about the date of this Agreement between the Agent and the Borrower setting out any of the fees referred to in Clause 12 (*Fees*);

(b) any agreement setting out fees payable to the Agent or a Lender in connection with an exercise of the Accordion Option; and

(c) any agreement setting out fees payable to a Finance Party referred to in Clause 12.4 (*Interest, commission and fees on Ancillary Facilities*) or under any other Finance Document.

52 **Finance Document** means this Agreement, the First Amendment and Restatement Agreement, the Second Amendment and Restatement Agreement, any Ancillary Document, any Fee Letter, any Extension Request, any Accordion Option Notice and any other document designated as such by the Agent and the Borrower.

53 **Finance Lease** means any lease or hire purchase contract, a liability under which would, in accordance with GAAP, be treated as a balance sheet liability (other than a lease or hire purchase contract which would, in accordance with the GAAP in force prior to 1 January 2019, have been treated as an operating lease).

54 **Finance Party** means the Agent, a Lender or any Ancillary Lender.

55 **Financial Indebtedness** means any indebtedness for or in respect of:

(a) moneys borrowed;

(b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;

- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability (other than any liability in respect of a lease or hire purchase contract which would, in accordance with GAAP in force prior to 1 January 2019, have been treated as an operating lease);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

56 **First Amendment and Restatement Agreement** means the amendment and restatement agreement dated 7 December 2020 between the the Obligors, Barclays Bank PLC as Original Lender and the Agent.

57 **GAAP** means:

- (a) in respect of the Borrower, generally accepted accounting principles in the United Kingdom, including IFRS; and
- (b) in respect of the Parent, generally accepted accounting principles in the US.

58 **Group** means the Parent and its Subsidiaries for the time being.

59 **Gross Outstandings** means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft but calculated on the basis that the words "(net of any Available Credit Balance)" in paragraph (a) of the definition of **Ancillary Outstandings** were deleted.

60 **HMT** means Her Majesty's Treasury of the United Kingdom.

61 **Holding Company** means, in relation to a person, any other person in respect of which it is a Subsidiary.

62 **IFRS** means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

63 **Impaired Agent** means the Agent at any time when:

- (a) it has failed to make (or has notified a Party that it will not make) a payment required to be made by it under the Finance Documents by the due date for payment;
- (b) the Agent otherwise rescinds or repudiates a Finance Document;
- (c) (if the Agent is also a Lender) it is a Defaulting Lender under paragraph (a) or (b) of the definition of **Defaulting Lender**; or
- (d) an Insolvency Event has occurred and is continuing with respect to the Agent;

64 unless, in the case of paragraph (a) above:

(i) its failure to pay is caused by:

(A) administrative or technical error; or

(B) a Disruption Event; and

payment is made within five Business Days of its due date; or

(ii) the Agent is disputing in good faith whether it is contractually obliged to make the payment in question.

65 **Increase Confirmation** means a confirmation substantially in the form set out in Schedule 9 (*Form of Increase Confirmation*).

**Increase Lender** has the meaning given to that term in Clause 2.2 (*Increase*).

66 **Insolvency Event** in relation to an entity means that the entity:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official;
- (e) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition is instituted or presented by a person or entity not described in paragraph (d) above and:

- (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation; or
  - (ii) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof;
- (f) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (g) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, for so long as it is required by law or regulation not to be publicly disclosed, any such appointment which is to be made, or is made, by a person or entity described in paragraph (d) above);
- (h) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter;
- (i) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) to (h) above; or
- (j) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.
- 67 **Interest Period** means, in relation to a Loan, each period determined in accordance with Clause 10 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 9.3 (*Default interest*).
- 68 **Investment** means any direct or indirect investment by an entity, whether by means of:
- 69 (a) the purchase or other acquisition of an equity interest in another entity;
- (b) a loan, advance or capital contribution to, guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another entity; or
- (c) the acquisition of all or any substantial part of the property of, or a line of business or division of, another entity.
- 70 **ITA** means the Income Tax Act 2007.
- 71 **Joint Venture** means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.
- 72 **Lender** means:
- (a) any Original Lender; and

- (b) any bank, financial institution, trust, fund or other entity which has become a Party as a "Lender" in accordance with Clause 2.2 (*Increase*) or Clause 24 (*Changes to the Lenders*),

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

73 **LMA** means the Loan Market Association.

74 **LME** means the recognised investment exchange and regulated market operated by The London Metal Exchange (FS Register number 207387).

75 **LME Clear** means LME Clear Limited (registered in England and Wales under company number 07611628).

76 **LME Rules and Procedures** means LME Clear Limited Rules and Procedures published on 22 April 2019 (as varied, amended and/or supplemented from time to time).

77 **Loan** means a loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan.

78 **Majority Lenders** means a Lender or Lenders whose Commitments aggregate more than  $66\frac{2}{3}$  per cent. of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated more than  $66\frac{2}{3}$  per cent. of the Total Commitments immediately prior to the reduction).

79 **Margin** means 2.50 per cent. per annum.

80 **Material Adverse Effect** means a material adverse effect on:

- (a) the business, operations, property or condition (financial or otherwise) of the Group taken as a whole;
- (b) the ability of an Obligor to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of the Finance Documents or the rights or remedies of any Finance Party under any of the Finance Documents.

81 **Month** means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one or, if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

- 82 The above rules will only apply to the last Month of any period.
- 83 **Multiemployer Plan** means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Parent or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.
- 84 **Multi-account Overdraft** means an Ancillary Facility which is an overdraft facility comprising more than one account.
- 85 **Multiple Employer Plan** means a Plan which has two or more contributing sponsors (including the Parent or any ERISA Affiliate) at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.
- 86 **Net Outstandings** means, in relation to a Multi-account Overdraft, the Ancillary Outstandings of that Multi-account Overdraft
- 87 **New Lender** has the meaning given to that term in Clause 24 (*Changes to the Lenders*).
- 88 **Obligor** means the Borrower or the Parent.
- 89 **OFAC** means the Department of the Treasury's Office of Foreign Assets Control of the United States of America.
- 90 **Original Financial Statements** means:
- (a) in relation to the Borrower, the audited consolidated financial statements of the Borrower Group for the financial year ended 2019; and
  - (b) in relation to the Parent, its audited financial statements for its financial year ended 2019.
- 91 **Parent Facility Agreement** means the amended and restated credit agreement dated as of 22 February 2019 between, amongst others, the Parent (as borrower) and Bank of America, N.A. (as administrative agent, swing line lender and L/C issuer), in such form as is in existence as at the date of this Agreement.
- 92 **Party** means a party to this Agreement.
- 93 **Pension Plan** means any employee pension benefit plan (including a Multiple Employer Plan or a Multiemployer Plan) that is maintained or is contributed to by the Parent and any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.
- 94 **Permitted Acquisition** means:
- (a) an acquisition by an Obligor or a member of the Borrower Group of an asset sold, leased, transferred or otherwise disposed of by another Obligor or member of the Borrower Group in circumstances constituting a Permitted Disposal;
  - (b) an acquisition of shares or securities in an existing Subsidiary for non-cash consideration;

- (c) an acquisition of securities which are Cash Equivalent Investments;
- (d) in respect of the Parent, any acquisition that it is permitted to make under the terms of the Parent Facility Agreement;
- (e) the incorporation of a company which on incorporation becomes a member of the Borrower Group, but only if that company is incorporated in the European Union or the United Kingdom with limited liability;
- (f) an acquisition (not being an acquisition by the Parent or the Borrower), for cash consideration, of (A) all of the issued share capital of a limited liability company or (B) (if the acquisition is made by a limited liability company whose sole purpose is to make the acquisition) a business or undertaking carried on as a going concern, but only if:
  - (i) no Default is continuing on the closing date for the acquisition or would occur as a result of the acquisition;
  - (ii) the acquired company, business or undertaking is incorporated or established, and carries on its principal business in, the European Union or the United Kingdom and is engaged in a business substantially the same as that carried on by an Obligor or the Borrower Group;
  - (iii) the consideration (including associated costs and expenses) for the acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in the acquired company (or any such business) at the date of acquisition (when aggregated with the consideration (including associated costs and expenses) for any other Permitted Acquisition and any Financial Indebtedness or other assumed actual or contingent liability, in each case remaining in any such acquired companies or businesses at the time of acquisition (the **Total Purchase Price**) does not in any financial year of the Borrower exceed in aggregate USD 5,000,000 or its equivalent,

and only if such acquisition is not funded by a Loan.

For the purposes of calculating the consideration paid in any financial year of the Borrower under paragraph (f)(iii) above, any deferred portion of the Total Purchase Price and/or any earn-out payments in connection with an acquisition shall be only that counted in the financial year in which such amount is actually paid.

95 **Permitted Disposal** means any disposal permitted under paragraph (b) of Clause 22.4 (*Disposals*).

96 **Permitted Financial Indebtedness** means Financial Indebtedness:

- (a) to the extent covered by a letter of credit, guarantee or indemnity issued under an Ancillary Facility;
- (b) arising under the Parent Facility Agreement;
- (c) in respect of the Parent, that it is permitted to incur under the terms of the Parent Facility Agreement (including any refinancing of such Financial Indebtedness which is permitted under the terms of the Parent Facility Agreement);

- (d) arising under:
  - (i) a foreign exchange transaction for spot or forward delivery entered into in connection with protection against fluctuation in currency rates where that foreign exchange exposure arises in the ordinary course of trade, but not a foreign exchange transaction for investment or speculative purposes; or
  - (ii) an interest rate transaction for spot or forward delivery entered into in connection with protection against fluctuation in interest rates where that interest rate exposure arises in the ordinary course of trade, but not an interest rate transaction for investment or speculative purposes.
- (e) of any person acquired by a member of the Borrower Group after the date of this Agreement which is incurred under arrangements in existence at the date of acquisition, but not incurred or increased or having its maturity date extended in contemplation of, or since, that acquisition, and Permitted Refinancings of such Financial Indebtedness;
- (f) under Finance Leases of vehicles, plant, equipment or computers, **provided that** the aggregate capital value of all such items so leased under outstanding leases by members of the Borrower Group does not exceed USD 5,000,000 (or its equivalent in other currencies) at any time;
- (g) arising under a warrant financing facility agreement entered into between the Borrower and Bank of China Limited, London Branch prior to the date of this Agreement on the terms that are in place as at the date of this Agreement up to a maximum principal amount of USD 20,000,000; and
- (h) not permitted by the preceding paragraphs and the outstanding amount of which does not exceed USD 5,000,000 (or its equivalent in other currencies) in aggregate for the Borrower Group at any time.

**Permitted Refinancing** means, with respect to any entity, any modification, refinancing, refunding, renewal or extension of any Financial Indebtedness of such entity, provided that:

- (a) the principal amount thereof does not exceed the principal amount of the Financial Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to unpaid accrued interest and premium thereon plus other reasonable amounts paid, and fees and expenses reasonably incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilised thereunder;
- (b) such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a weighted average life to maturity equal to or greater than, the remaining weighted average life to maturity of, the Financial Indebtedness being modified, refinanced, refunded, renewed or extended;
- (c) at the time thereof, no Default shall have occurred and be continuing;
- (d) if such Financial Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment to the liabilities of the Obligors under the Finance Documents, such modification, refinancing, refunding, renewal or extension



is subordinated in right of payment to the those liabilities on terms at least as favourable to the Lenders as those contained in the documentation governing the Financial Indebtedness being modified, refinanced, refunded, renewed or extended;

- (e) the terms and conditions (excluding as to subordination and redemption premium) of any such modified, refinanced, refunded, renewed or extended Financial Indebtedness, taken as a whole, shall not be materially less favourable to the Obligors than the Financial Indebtedness being modified, refinanced, refunded, renewed or extended, taken as a whole and the interest rate applicable to any such modified, refinanced, refunded, renewed or extended Indebtedness shall not exceed the then applicable market rate of interest;
- (f) if such Financial Indebtedness being modified, refinanced, refunded, renewed or extended was unsecured, such modification, refinancing, refunding, renewal or extension shall also be unsecured (unless otherwise permitted under the terms of this Agreement);and
- (h) such modification, refinancing, refunding, renewal or extension is incurred by one or more entities which is an obligor of the Financial Indebtedness being modified, refinanced, refunded, renewed or extended.

**Permitted Reorganisation** means the reorganisation of the Group in accordance with the organisational charts and other information provided to the Finance Parties prior to the date of this Agreement, and which arises as a result of the acquisition of GAIN Capital Holdings Inc. by the Parent.

**Plan** means any employee benefit plan within the meaning of Section 3(3) of ERISA (including a Pension Plan), maintained for employees of the Parent or any ERISA Affiliate or any such Plan to which the Parent or any ERISA Affiliate is required to contribute on behalf of any of its employees.

**Qualifying Lender** has the meaning given to it in Clause 13 (*Tax gross-up and indemnities*).

97 **Quotation Day** means, in relation to any period for which an interest rate is to be determined, two Business Days before the first day of that period unless market practice differs in the Relevant Market, in which case the Quotation Day will be determined by the Agent in accordance with market practice in the Relevant Market (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days).

**Related Fund** in relation to a fund (the **first fund**), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

98 **Relevant Market** means the London interbank market.

99 **Repeating Representations** means each of the representations set out in Clauses 19.1 (*Status*) to 19.6 (*Governing law and enforcement*), 19.9 (*No default*), 19.10 (*No misleading information*), 19.11 (*Financial statements*), 19.12 (*Pari passu ranking*), 19.14 (*No proceedings*), 19.17 (*Investment Company Act*) and 19.18 (*Margin Stock*).

- 100 **Representative** means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.
- 101 **Restricted Party** means a person that is:
- (a) listed on, or owned or controlled by a person listed on, a Sanctions List, or a person acting on behalf of such a person;
  - (b) located in or organised under the laws of a country or territory that is the subject of country-wide or territory-wide Sanctions, or a person who is owned or controlled by, or acting on behalf of such a person; or
  - (c) otherwise a subject of Sanctions.
- 102 **Rollover Loan** means one or more Loans:
- (a) made or to be made on the same day that a maturing Loan is due to be repaid;
  - (b) the aggregate amount of which is equal to or less than the amount of the maturing Loan; and
  - (c) made or to be made to the same Borrower for the purpose of refinancing that maturing Loan.
- 103 **Sanctions** means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.
- 104 **Sanctions Authority** means:
- (a) the United Nations;
  - (b) the US;
  - (c) the European Union;
  - (d) the United Kingdom of Great Britain and Northern Ireland; and
  - (e) the governments and official institutions or agencies of any of paragraphs (a) to (d) above, including OFAC, the US Department of State, and HMT.
- 105 **Sanctions List** means the Specially Designated Nationals and Blocked Persons list maintained by OFAC, the Consolidated List of Financial Sanctions Targets and the Investment Ban List maintained by Her Majesty's Treasury, or any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time.
- 106 **Second Amendment and Restatement Agreement** means the amendment and restatement agreement dated 2021 between the the Obligors, the Lenders and the Agent.
- 107 **Security** means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

- 108 **SOFR** means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).
- 109 **SOFR Banking Day** means any day other than:
- 110 (a) a Saturday or Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.
- 111 **Specified Time** means a day or time determined in accordance with Schedule 8 (*Timetables*).
- 112 **Subsidiary** means:
- (a) a subsidiary undertaking within the meaning of section 1162 of the Companies Act 2006; and
- (b) a subsidiary within the meaning of section 1159 of the Companies Act 2006.
- 113 **Tangible Net Assets** has the meaning given to that term in Clause 21.1 (*Financial definitions*).
- 114 **Tax** means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).
- 115 **Termination Date** means, subject to the provisions of Clause 2.5 (*Extension Option*), the date falling one year after the date of this Agreement.
- 116 **Total Commitments** means the aggregate of the Commitments, being \$50,000,000 as at the Effective Date.
- 117 **Transfer Certificate** means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.
- 118 **Transfer Date** means, in relation to an assignment or a transfer, the later of:
- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.
- 119 **Unpaid Sum** means any sum due and payable but unpaid by an Obligor under the Finance Documents.
- 120 **US** means the United States of America.

121 **Utilisation** means a utilisation of the Facility.

122 **Utilisation Date** means the date of a Utilisation, being the date on which a Loan is to be made.

**Utilisation Request** means a notice substantially in the form set out in Schedule 3 (*Utilisation Request*).

123 **VAT** means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

## 1.2 Construction

(a) Unless a contrary indication appears, any reference in this Agreement to:

- (i) the **Agent**, any **Finance Party**, any **Lender**, any **Obligor** or any **Party** shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
- (ii) **assets** includes present, future, actual and contingent properties, revenues and rights of every description;
- (iii) a **Finance Document** or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended, restated or replaced from time to time;
- (iv) a **group of Lenders** includes all the Lenders;
- (v) **debt** or **indebtedness** includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
- (vi) a **person** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
- (vii) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
- (viii) a provision of law is a reference to that provision as amended or re-enacted from time to time; and
- (ix) a time of day is a reference to London time.

- (b) The determination of the extent to which a rate is **for a period equal in length** to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Section, Clause and Schedule headings are for ease of reference only.
- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (e) The Borrower providing **cash cover** for an Ancillary Facility means the Borrower paying an amount in the currency of the Ancillary Facility to an interest-bearing account and the following conditions being met:
  - (i) either:
    - (A) the account is in the name of the Borrower and is with the Ancillary Lender for which that cash cover is to be provided and, until no amount is or may be outstanding under that Ancillary Facility, withdrawals from the account may only be made to pay the relevant Finance Party amounts due and payable to it under this Agreement in respect of that Ancillary Facility; or
    - (B) the account is in the name of the Ancillary Lender for which that cash cover is to be provided; and
  - (ii) the Borrower has executed documentation, in form and substance satisfactory to the Finance Party for which that cash cover is to be provided, creating a first ranking security interest, or other collateral arrangement, in respect of the amount of that cash cover.
- (f) A Default (other than an Event of Default) is **continuing** if it has not been remedied or waived and an Event of Default is **continuing** if it has not been waived.
- (g) The Borrower **repaying** or **prepaying** Ancillary Outstandings means:
  - (i) the Borrower providing cash cover in respect of those Ancillary Outstandings;
  - (ii) the maximum amount payable under the Ancillary Facility being reduced or cancelled in accordance with its terms; or
  - (iii) the Ancillary Lender being satisfied that it has no further liability under that Ancillary Facility,and the amount by which a Ancillary Outstandings are repaid or prepaid under paragraphs (i) and (ii) above is the amount of the relevant cash cover, reduction or cancellation.
- (h) An amount borrowed includes any amount utilised under an Ancillary Facility.
- (i) A reference in this Agreement to a Central Bank Rate shall include any successor rate to, or replacement rate for, that rate.
- (j) References to "the date of this Agreement" are to 14 October 2020.

### 1.3 Currency symbols and definitions

\$, **USD** and **dollars** denote the lawful currency of the US.

### 1.4 Third party rights

- (a) Unless expressly provided to the contrary in a Finance Document a person who is not a Party has no right under the Contracts (Rights of Third Parties) Act 1999 (the **Third Parties Act**) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Subject to Clause 36.3 (*Other exceptions*) but otherwise, notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

## Section – The Facility

### 2 The Facility

#### 1.1 The Facility

- (a) Subject to the terms of this Agreement, the Lenders make available to the Borrower a dollar revolving loan facility in an aggregate amount equal to the Total Commitments.
- (b) Subject to the terms of this Agreement and the Ancillary Documents, an Ancillary Lender may make all or part of its Commitment available to the Borrower as an Ancillary Facility.

#### 2.2 Increase

- (a) The Borrower may by giving prior notice to the Agent by no later than the date falling 10 days after the effective date of a cancellation of:
  - (i) the Available Commitments of a Defaulting Lender in accordance with Clause 8.7 (*Right of cancellation in relation to a Defaulting Lender*); or
  - (ii) the Commitment of a Lender in accordance with:
    - (A) Clause 8.1 (*Illegality*); or
    - (B) paragraph (a) of Clause 8.6 (*Right of replacement or repayment and cancellation in relation to a single Lender*),

request that the Commitments be increased (and the Commitments shall be so increased) in an aggregate amount of up to the amount of the Commitment so cancelled as follows:

- (iii) the increased Commitments will be assumed by one or more Eligible Institutions (each an **Increase Lender**) each of which confirms in writing (whether in the relevant Increase Confirmation or otherwise) its willingness to assume and does assume all the obligations of a Lender corresponding to that part of the increased Commitments which it is to assume, as if it had been an Original Lender in respect of those Commitments;
- (iv) each of the Obligors and any Increase Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Increase Lender would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;
- (v) each Increase Lender shall become a Party as a "Lender" and any Increase Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Increase Lender and those Finance Parties would have assumed and/or acquired had the Increase Lender been an Original Lender in respect of that part of the increased Commitments which it is to assume;
- (vi) the Commitments of the other Lenders shall continue in full force and effect; and

- (vii) any increase in the Commitments shall take effect on the date specified by the Borrower in the notice referred to above or any later date on which the Agent executes an otherwise duly completed Increase Confirmation delivered to it by the relevant Increase Lender.
- (b) The Agent shall, subject to paragraph (c) below, as soon as reasonably practicable after receipt by it of a duly completed Increase Confirmation appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Increase Confirmation.
- (c) The Agent shall only be obliged to execute an Increase Confirmation delivered to it by an Increase Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption of the increased Commitments by that Increase Lender.
- (d) Each Increase Lender, by executing the Increase Confirmation, confirms (for the avoidance of doubt) that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the increase becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as it would have been had it been an Original Lender.
- (e) The Borrower shall promptly on demand pay the Agent the amount of all costs and expenses (including legal fees) reasonably incurred by it in connection with any increase in Commitments under this Clause 2.2.
- (f) The Increase Lender shall, on the date upon which the increase takes effect, pay to the Agent (for its own account) a fee in an amount equal to the fee which would be payable under Clause 24.4 (*Assignment or transfer fee*) if the increase was a transfer pursuant to Clause 24.6 (*Procedure for transfer*) and if the Increase Lender was a New Lender.
- (g) The Borrower may pay to the Increase Lender a fee in the amount and at the times agreed between the Borrower and the Increase Lender in a letter between the Borrower and the Increase Lender setting out that fee. A reference in this Agreement to a Fee Letter shall include any letter referred to in this paragraph (g).
- (h) Neither the Agent nor any Lender shall have any obligation to find an Increase Lender and in no event shall any Lender whose Commitment is replaced by an Increase Lender be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents.
- (i) Clause 24.5 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.2 in relation to an Increase Lender as if references in that Clause to:
  - (i) an **Existing Lender** were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the **New Lender** were references to that **Increase Lender**; and



(iii) a **re-transfer** and **re-assignment** were references to respectively a **transfer** and **assignment**.

### 2.3 Finance Parties' rights and obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from an Obligor is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by an Obligor which relates to a Finance Party's participation in the Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by that Obligor.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

### 2.4 Obligors' Agent

- (a) The Parent by its execution of this Agreement irrevocably appoints the Borrower (acting through one or more authorised signatories) to act on its behalf as its agent in relation to the Finance Documents and irrevocably authorises:
  - (i) the Borrower on its behalf to supply all information concerning itself contemplated by this Agreement to the Finance Parties and to give and receive all notices and instructions and other communications, to make such agreements and to effect the relevant amendments, supplements, variations and waivers capable of being given, made or effected by the Parent notwithstanding that they may affect the Parent, without further reference to or the consent of the Parent; and
  - (ii) each Finance Party to give any notice, demand or other communication to the Parent pursuant to the Finance Documents to the Borrower,

and in each case the Parent shall be bound as though the Parent itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

- (b) Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice or other communication given or made by the Borrower or given to the Borrower under any Finance Document on behalf of the Parent or in connection with any Finance Document (whether or not known to the Parent) shall be binding for all purposes on the Parent as if the Parent had expressly made, given or

concluded with it. In the event of any conflict between any notices or other communications of the Borrower and the Parent, those of the Borrower shall prevail.

## 2.5 Extension Option

- (a) Subject to the provisions of this Clause 2.5, the Borrower may request the exercise of the Extension Option by submitting an Extension Request to the Agent. The Borrower may submit no more than two Extension Requests. Any Extension Request is irrevocable and may not be withdrawn
- (b) An Extension Request shall not be valid unless it is delivered to the Agent on a Business Day falling not more than 60 days and not less than 30 days prior to the Termination Date which then applies (the **Existing Termination Date**). The Agent shall promptly forward any Extension Request to the Lenders,
- (c) Upon receipt of an Extension Request, each Lender (acting in its sole discretion) shall have the right to decide whether to accept or decline it, and if it agrees to accept it, what conditions (if any) it may wish to impose on its provision.
- (d) If a Lender agrees to accept the Extension Request then it must notify the Agent of its acceptance (such notice being a **Notice of Extension**) by no later than the date falling 20 days prior to the Existing Termination Date. Upon receipt of such Notice of Extension, the Agent shall promptly forward the same to the Borrower. If a Lender does not give such Notice of Extension by such date, that Lender shall be deemed to have refused that extension. Nothing shall oblige a Lender to agree to an Extension Request.
- (e) If a Lender has agreed to the request made in the Extension Request then, subject to paragraph (g) below, the Termination Date applicable to that Lender shall be extended to the date falling 365 days after the Existing Termination Date.
- (f) If a Lender has declined the request made in the Extension Request, the Borrower shall repay that Lender's participation in the Loans made to the Borrower on the Existing Termination Date.
- (g) Any agreement of a Lender under this Clause 2.5 to extend the Termination Date in respect of its Commitments is subject to the further conditions precedent that on the date of the Extension Request and the date upon which it is proposed that the Termination Date is extended in accordance with paragraph (e) above:
  - (i) the Repeating Representations are true in all material respects; and
  - (ii) no Default is continuing or would be reasonably likely to result from the proposed extension.
- (h) On or before any extension of the Termination Date, the Borrower shall pay to the Agent an extension fee in an amount to be agreed at the time that the Extension Request is delivered (such fee to be determined as a percentage of Commitments and distributed by the Agent to the Lenders who have agreed to extend their Commitments (on a pro rata basis)).

## 2.6 Accordion option

- (a) At any time during the term of this Agreement, the Borrower may deliver an Accordion Option Notice to the Agent requesting that the Total Commitments be increased by an amount (the **Additional Commitment**) which, when aggregated with all other amounts by which the Total Commitments have been increased by means of the operation of this Clause 2.6, since the date of this Agreement, does not exceed USD 25,000,000. Each Additional Commitment must be for a minimum of USD 10,000,000 and no more than two Accordion Option Notices may be delivered during the term of this Agreement.
- (b) Upon receipt of an Accordion Option Notice, the Agent shall promptly notify the Lenders.
- (c) Each Accordion Option Notice will not be regarded as being duly completed unless it confirms:
  - (i) the identity of each Lender or other bank, financial institution, trust, fund or other entity (each, an **Accordion Lender**) selected by the Borrower (each of which shall not be a member of the Group) that is willing to assume all of the obligations of a Lender corresponding to an Additional Commitment; and
  - (ii) that on the date of that Accordion Option Notice the Repeating Representations to be made by each Obligor are true in all material respects and no Default is continuing or would result from the increase in Commitments,and shall be validly delivered only if executed by the Borrower and each applicable Accordion Lender.
- (d) No existing Lender shall (unless otherwise agreed by that Lender) be obliged to provide any Additional Commitment.
- (e) The Borrower may only implement Additional Commitments to the extent that following implementation of any requested increase, the Total Commitments do not at any time after the date of this Agreement exceed USD 50,000,000 in aggregate.
- (f) All Additional Commitments shall be made available on the same terms (including as to Margin, fees, ranking, pro rata sharing, availability period, currencies in which the Additional Commitments may be drawn and termination date) as the Facility and the Additional Commitments may not enjoy the benefit of any more onerous financial covenants or other terms than apply to the Facility generally.
- (g) Following the delivery of a valid Accordion Option Notice, the requested Additional Commitments shall become effective on the later of:
  - (i) the date specified in that Accordion Option Notice as the date on which the proposed increase in the Commitments is to take effect;
  - (ii) the execution by the Agent of the Accordion Option Notice (and the Agent shall, subject to paragraph (iii) below, as soon as reasonably practicable after receipt by it of a duly completed Accordion Option Notice appearing on its

face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Accordion Option Notice); and

- (iii) in relation to an Accordion Lender which is not a Lender immediately prior to the relevant increase, the date on which the Agent confirms that it has completed all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assumption by the Accordion Lender of the relevant Additional Commitments, the completion of which the Agent shall promptly notify to the Borrower and the Accordion Lender,

such date being the **Accordion Option Increase Date**.

- (h) The introduction of Additional Commitments pursuant to this Clause 2.6 shall occur as follows:
  - (i) the increase in the Total Commitments shall take effect on the Accordion Option Increase Date;
  - (ii) each Additional Commitment will be assumed by the relevant Accordion Lender, each of whom by executing the relevant Accordion Option Notice confirms its willingness to assume and does assume all of the obligations of a Lender corresponding to that part of the Additional Commitments which it is to assume, as if it had been an Original Lender;
  - (iii) each of the Obligors and each Accordion Lender shall assume obligations towards one another and/or acquire rights against one another as the Obligors and the Accordion Lender would have assumed and/or acquired had the Accordion Lender been an Original Lender;
  - (iv) to the extent not already a Party as a Lender, each Accordion Lender shall become a Party as a Lender and each Accordion Lender and each of the other Finance Parties shall assume obligations towards one another and acquire rights against one another as that Accordion Lender and those Finance Parties would have assumed and/or acquired had the Accordion Lender been an Original Lender; and
  - (v) the Commitments of the other Lenders shall continue in full force and effect (and, for the avoidance of doubt, their amount shall not be varied by the assumption of Commitments by an Accordion Lender pursuant to this Clause 2.6).
- (i) Any agreement of a Lender under this Clause 2.6 to increase the Total Commitments is subject to the further conditions precedent that on the Accordion Option Increase Date:
  - (i) the Repeating Representations are true in all material respects; and
  - (ii) no Default is continuing or would be reasonably likely to result from the increase in Commitments.
- (j) The Borrower may pay to an Accordion Lender a fee in the amount and at the times agreed between the Borrower and that Accordion Lender in a Fee Letter.

- (k) On and from the Accordion Option Increase Date, this Agreement shall be amended, read and construed as if the Accordion Lender were party hereto with a Commitment or Commitments as detailed in the Accordion Option Notice.
- (l) Any amounts payable to the Lenders by any Obligor on or before an Accordion Option Increase Date (including, without limitation, all interest, fees and commission payable up to (but excluding) that Accordion Option Increase Date) in respect of any period ending on or prior to that Accordion Option Increase Date shall be for the account of the Lenders prior to such Accordion Option Increase Date and no Accordion Lender shall have any interest in, or any rights in respect of, any such amount (save in respect of their Commitments up to (but excluding) that Accordion Option Increase Date).
- (m) Each Lender irrevocably and unconditionally authorises the Agent to execute on its behalf:
  - (i) any Accordion Option Notice delivered to it pursuant to this Clause 2.6; and
  - (ii) any amendments required to the Finance Documents that are consequential on, incidental to or required to implement or reflect the introduction of Additional Commitments pursuant to this Clause 2.6.
- (n) Clause 24.5 (*Limitation of responsibility of Existing Lenders*) shall apply *mutatis mutandis* in this Clause 2.6 in relation to an Accordion Lender as if references in that Clause to:
  - (i) an **Existing Lender** were references to all the Lenders immediately prior to the relevant increase;
  - (ii) the **New Lender** were references to that Accordion Lender; and
  - (iii) a **re-transfer** and **re-assignment** were references to respectively a **transfer** and **assignment**.
- (o) Any utilisation of Additional Commitments made available under this Clause 2.6 shall, for the avoidance of doubt:
  - (i) constitute a Loan under this Agreement; and
  - (ii) be repaid in accordance with the terms of this Agreement.

### 3 Purpose

#### 3.1 Purpose

The Borrower shall apply all amounts borrowed by it under the Facility towards the general corporate and working capital purposes of the Borrower Group or, in the case of any utilisation of any Ancillary Facility, towards prepayment of any Loan.

#### 3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

## **4 Conditions of Utilisation**

### **4.1 Initial conditions precedent**

- (a) No Borrower may deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Schedule 2 (*Conditions precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

### **4.2 Further conditions precedent**

The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:

- (a) in the case of a Rollover Loan, no Event of Default is continuing or would result from the proposed Loan and, in the case of any other Loan, no Default is continuing or would result from the proposed Loan; and
- (b) the Repeating Representations to be made by each Obligor are true in all material respects.

### **4.3 Maximum number of Loans**

The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation more than 10 Loans would be outstanding.

## Section – Utilisation

### 5 Utilisation

#### 5.1 Delivery of a Utilisation Request

The Borrower may utilise the Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

#### 5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
  - (i) the proposed Utilisation Date is a Business Day within the Availability Period;
  - (ii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and amount*); and
  - (iii) the proposed Interest Period complies with Clause 10 (*Interest Periods*).
- (b) Only one Loan may be requested in each Utilisation Request.

#### 5.3 Currency and amount

- (a) The currency specified in a Utilisation Request must be dollars.
- (b) The amount of the proposed Loan must be an amount which is not more than the Available Facility and which is a minimum of \$250,000 or, if less, the Available Facility.

#### 5.4 Lenders' participation

- (a) If the conditions set out in this Agreement have been met, and subject to Clause 6 (*Repayment*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) Other than as set out in paragraph (c) below, the amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) If a Loan is made to repay Ancillary Outstandings, each Lender's participation in that Loan will be in an amount (as determined by the Agent) which will result as nearly as possible in the aggregate amount of its participation in the Loans then outstanding bearing the same proportion to the aggregate amount of the Loans then outstanding as its Commitment bears to the Total Commitments.
- (d) The Agent shall notify each Lender of the amount of each Loan, the amount of its participation in that Loan and, if different, the amount of that participation to be made available in accordance with Clause 30.1 (*Payments to the Agent*), in each case by the Specified Time.

## **5.5 Cancellation of Commitment**

The Commitments which, at that time, are unutilised shall be immediately cancelled at the end of the Availability Period.



## Section – Repayment, prepayment and cancellation

### 6 Ancillary Facilities

#### 1.1 Type of Facility

An Ancillary Facility may be by way of:

- (a) an overdraft facility;
- (b) a guarantee, bonding, documentary or stand-by letter of credit facility;
- (c) a short term loan facility;
- (d) a derivatives facility;
- (e) a foreign exchange facility; or
- (f) any other facility or accommodation required in connection with the business of the Borrower Group and which is agreed by the Borrower with an Ancillary Lender.

#### 1.2 Availability

- (a) If the Borrower and a Lender agree and except as otherwise provided in this Agreement, the Lender may provide all or part of its Commitment as an Ancillary Facility.
- (b) An Ancillary Facility shall not be made available unless, not later than five Business Days prior to the Ancillary Commencement Date for an Ancillary Facility, the Agent has received from the Borrower:
  - (i) a notice in writing of the establishment of an Ancillary Facility and specifying:
    - (A) the proposed Ancillary Commencement Date and expiry date of the Ancillary Facility;
    - (B) the proposed type of Ancillary Facility to be provided;
    - (C) the proposed Ancillary Lender;
    - (D) the proposed Ancillary Commitment, the maximum amount of the Ancillary Facility and, in the case of a Multi-account Overdraft its Designated Gross Amount and its Designated Net Amount; and
    - (E) the proposed currency of the Ancillary Facility, which must be US Dollars.
  - (ii) any other information which the Agent may reasonably request in connection with the Ancillary Facility.
- (c) The Agent shall promptly notify the Ancillary Lender and the other Lenders of the establishment of an Ancillary Facility.

- (d) Subject to compliance with paragraph (b) above:
  - (i) the Lender concerned will become an Ancillary Lender; and
  - (ii) the Ancillary Facility will be available,with effect from the date agreed by the Borrower and the Ancillary Lender.

### **1.3 Terms of Ancillary Facilities**

- (a) Except as provided below, the terms of any Ancillary Facility will be those agreed by the Ancillary Lender and the Borrower.
- (b) Those terms:
  - (i) must be based upon normal commercial terms at that time (except as varied by this Agreement);
  - (ii) may allow only the Borrower to use the Ancillary Facility;
  - (iii) may not allow the Ancillary Outstandings to exceed the Ancillary Commitment;
  - (iv) may not allow a Lender's Ancillary Commitment to exceed that Lender's Available Commitment (before taking into account the effect of the Ancillary Facility on that Available Commitment); and
  - (v) must require that the Ancillary Commitment is reduced to zero, and that all Ancillary Outstandings are repaid not later than the Termination Date (or such earlier date as the Commitment of the relevant Ancillary Lender is reduced to zero).
- (c) If there is any inconsistency between any term of an Ancillary Facility and any term of this Agreement, this Agreement shall prevail except for:
  - (i) Clause 33.3 (*Day count convention*) which shall not prevail for the purposes of calculating fees, interest or commission relating to an Ancillary Facility;
  - (ii) an Ancillary Facility comprising more than one account where the terms of the Ancillary Documents shall prevail to the extent required to permit the netting of balances on those accounts; and
  - (iii) where the relevant term of this Agreement would be contrary to, or inconsistent with, the law governing the relevant Ancillary Document, in which case that term of this Agreement shall not prevail.
- (d) Interest, commission and fees on Ancillary Facilities are dealt with in Clause 12.4 (*Interest, commission and fees on Ancillary Facilities*).

### **1.4 Repayment of Ancillary Facility**

- (a) An Ancillary Facility shall cease to be available on the Termination Date or such earlier date on which its expiry date occurs or on which it is cancelled in accordance with the terms of this Agreement.

- (b) If an Ancillary Facility expires in accordance with its terms the Ancillary Commitment of the Ancillary Lender shall be reduced to zero.
- (c) No Ancillary Lender may demand repayment or prepayment of any Ancillary Outstandings prior to the expiry date of the relevant Ancillary Facility unless:
  - (i) required to reduce the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings;
  - (ii) the Total Commitments have been cancelled in full, or all outstanding Loans have become due and payable in accordance with the terms of this Agreement;
  - (iii) it becomes unlawful in any applicable jurisdiction for the Ancillary Lender to perform any of its obligations as contemplated by this Agreement or to fund, issue or maintain its participation in its Ancillary Facility (or it becomes unlawful for any Affiliate of the Ancillary Lender for the Ancillary Lender to do so); or
  - (iv) both
    - (A) the Available Commitments; and
    - (B) the notice of the demand given by the Ancillary Lender

would not prevent the Borrower funding the repayment of those Ancillary Outstandings in full by way of Loan.
- (d) If a Loan is made to repay Ancillary Outstandings in full, the relevant Ancillary Commitment shall be reduced to zero.

**1.5 Limitation on Ancillary Outstandings**

The Borrower shall procure that:

- (a) the Ancillary Outstandings under any Ancillary Facility shall not exceed the Ancillary Commitment applicable to that Ancillary Facility; and
- (b) in relation to a Multi-account Overdraft:
  - (i) the Ancillary Outstandings shall not exceed the Designated Net Amount applicable to that Multi-account Overdraft; and
  - (ii) the Gross Outstandings shall not exceed the Designated Gross Amount applicable to that Multi-account Overdraft.

**1.6 Adjustment for Ancillary Facilities upon acceleration**

- (a) In this Clause 6.6:

124 **Outstandings** means, in relation to a Lender, the aggregate of:

- (a) its participation in each Loan then outstanding (together with the aggregate amount of all accrued interest, fees and commission owed to it as a Lender); and
- (b) if the Lender is also an Ancillary Lender, the Ancillary Outstandings in respect of Ancillary Facilities provided by that Ancillary Lender (or by its Affiliate) (together with the aggregate amount of all accrued interest, fees and commission owed to it (or to its Affiliate) as an Ancillary Lender in respect of the Ancillary Facility); and

125 **Total Outstandings** means the aggregate of all Outstandings.

- (b) If the Agent exercises any of its rights under Clause 23.13 (*Acceleration*) (other than declaring Loans to be due on demand), each Lender and each Ancillary Lender shall promptly adjust (by making or receiving (as the case may be) corresponding transfers of rights and obligations under the Finance Documents relating to the Outstandings) their claims in respect of amounts outstanding to them under the Facility and each Ancillary Facility to the extent necessary to ensure that after such transfers the Outstandings of each Lender bear the same proportion to the Total Outstandings as such Lender's Commitment bears to the Total Commitments, each as at the date the Agent exercises the relevant right(s) under 23.13 (*Acceleration*).
- (c) If an amount outstanding under an Ancillary Facility is a contingent liability and that contingent liability becomes an actual liability or is reduced to zero after the original adjustment is made under paragraph (b) above, then each Lender and Ancillary Lender will make a further adjustment (by making or receiving (as the case may be) corresponding transfers of rights and obligations under the Finance Documents relating to **Outstandings** to the extent necessary) to put themselves in the position they would have been in had the original adjustment been determined by reference to the actual liability or, as the case may be, zero liability and not the contingent liability.
- (d) Any transfer of rights and obligations relating to Outstandings made pursuant to this Clause 6.6 shall be made for a purchase price in cash, payable at the time of transfer, in an amount equal to those Outstandings (less any accrued interest, fees and commission to which the transferor will remain entitled to receive notwithstanding that transfer, pursuant to Clause 24.10 (*Pro rata interest settlement*)).
- (e) Prior to the application of the provisions of paragraph (b) above, an Ancillary Lender that has provided a Multi-account Overdraft shall set-off any Available Credit Balance on any account comprised in that Multi-account Overdraft.
- (f) All calculations to be made pursuant to this Clause 6.6 shall be made by the Agent based upon information provided to it by the Lenders and Ancillary Lenders.

## 1.7 Information

The Borrower and each Ancillary Lender shall, promptly upon request by the Agent, supply the Agent with any information relating to the operation of an Ancillary Facility (including the Ancillary Outstandings) as the Agent may reasonably request from time to time. The Borrower consents to all such information being released to the Agent and the other Finance Parties.

## 6.8 Affiliates of Lenders as Ancillary Lenders

- (a) Subject to the terms of this Agreement, an Affiliate of a Lender may become an Ancillary Lender. In such case, the Lender and its Affiliate shall be treated as a single Lender whose Commitment is the amount set out in Schedule 1 (The Original Lenders) and/or the amount of any Commitment transferred to or assumed by that Lender under this Agreement, to the extent (in each case) not cancelled, reduced or transferred by it under this Agreement.
- (b) The Borrower shall specify any relevant Affiliate of a Lender in any notice delivered by the Parent to the Agent pursuant to paragraph (b)(i) of Clause 6.2 (*Availability*).
- (c) If a Lender assigns all of its rights and benefits or transfers all of its rights and obligations to a New Lender, its Affiliate shall cease to have any obligations under this Agreement or any Ancillary Document.
- (d) Where this Agreement or any other Finance Document imposes an obligation on an Ancillary Lender and the relevant Ancillary Lender is an Affiliate of a Lender which is not a party to that document, the relevant Lender shall ensure that the obligation is performed by its Affiliate.

### **1.9 Commitment amounts**

Notwithstanding any other term of this Agreement, each Lender shall ensure that at all times its Commitment is not less than:

- (i) its Ancillary Commitment; or
- (ii) the Ancillary Commitment of its Affiliate.

### **1.10 Amendments and Waivers – Ancillary Facilities**

No amendment or waiver of a term of any Ancillary Facility shall require the consent of any Finance Party other than the relevant Ancillary Lender unless such amendment or waiver itself relates to or gives rise to a matter which would require an amendment of or under this Agreement (including, for the avoidance of doubt, under this Clause 6). In such a case, Clause 36 (*Amendments and waivers*) will apply.

## **7 Repayment**

- (a) The Borrower shall repay each Loan on the last day of its Interest Period.
- (b) Without prejudice to the Borrower's obligation under paragraph (a) above, if:
  - (i) one or more Loans are to be made available to the Borrower:
    - (A) on the same day that a maturing Loan is due to be repaid by the Borrower; and
    - (B) in whole or in part for the purpose of refinancing the maturing Loan; and
  - (ii) the proportion borne by each Lender's participation in the maturing Loan to the amount of that maturing Loan is the same as the proportion borne by that Lender's participation in the new Loans to the aggregate amount of those new Loans,

the aggregate amount of the new Loans shall, unless the Borrower notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Loan so that:

- (A) if the amount of the maturing Loan exceeds the aggregate amount of the new Loans:
  - 1) the relevant Borrower will only be required to make a payment under Clause 30.1 (*Payments to the Agent*) in an amount in the relevant currency equal to that excess; and
  - 2) each Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan and that Lender will not be required to make a payment under Clause 30.1 (*Payments to the Agent*) in respect of its participation in the new Loans ; and
- (B) if the amount of the maturing Loan is equal to or less than the aggregate amount of the new Loans:
  - 1) the relevant Borrower will not be required to make a payment under Clause 30.1 (*Payments to the Agent*); and
  - 2) each Lender will be required to make a payment under Clause 30.1 (*Payments to the Agent*) in respect of its participation in the new Loans only to the extent that its participation in the new Loans exceeds that Lender's participation in the maturing Loan and the remainder of that Lender's participation in the new Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Loan.
- (c) At any time when a Lender becomes a Defaulting Lender, the maturity date of each of the participations of that Lender in the Loans then outstanding will be automatically extended to the last day of the Availability Period and will be treated as separate Loans (the **Separate Loans**).
- (d) Interest in respect of a Separate Loan will accrue for successive Interest Periods selected by the Borrower by the time and date specified by the Agent (acting reasonably) and will be payable by that Borrower to the Agent (for the account of that Defaulting Lender) on the last day of each Interest Period of that Loan.
- (e) The terms of this Agreement relating to Loans generally shall continue to apply to Separate Loans other than to the extent inconsistent with paragraphs (c) to (d) above, in which case those paragraphs shall prevail in respect of any Separate Loan.

## 8 Prepayment and cancellation

### 8.1 Illegality

If, in any applicable jurisdiction, it becomes unlawful for any Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it becomes unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to paragraph (d) of Clause 8.6 (*Right of replacement or repayment and cancellation in relation to a single Lender*), the Borrower shall repay that Lender's participation in the Loans made to the Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participations repaid.

### 8.2 Change of control

- (a) If a Change of Control occurs:
  - (i) the Borrower shall promptly notify the Agent upon becoming aware of that event;
  - (ii) a Lender shall not be obliged to fund a Loan (except for a Rollover Loan);
  - (iii) the Lenders shall negotiate with the Parent for a period of not less than 30 days (or such shorter period as is agreed between all parties) (the **Negotiation Period**) to seek to find agreed terms upon which the Facility will continue to be provided; and
  - (iv) if no agreement is reached then, on the date falling five Business Days after the end of the Negotiation Period, the Available Commitment of each Lender shall be automatically cancelled and all Loans and Ancillary Outstandings, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents shall be immediately due and payable, whereupon each such Available Commitment will be immediately cancelled, the Facility shall immediately cease to be available for further utilisation and all such Loans, Ancillary Outstandings, accrued interest and other amounts shall become immediately due and payable.
- (b) For the purposes of paragraph (a) above, **Change of Control** means an event or series of events by which either:
  - (i) the Borrower ceases to be a wholly-owned Subsidiary of the Parent; or
  - (ii) a Change of Control (as defined in the Parent Facility Agreement) occurs with respect to the Parent.

### 8.3 Sale

Upon the occurrence of the sale of all or substantially all of the assets of the Group whether in a single transaction or a series of related transactions:

- (a) the Borrower shall promptly notify the Agent upon becoming aware of that event;
- (b) a Lender shall not be obliged to fund a Loan (except for a Rollover Loan); and
- (c) the Available Commitment of each Lender shall be automatically cancelled and all Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents shall be immediately due and payable, whereupon the Facility shall immediately cease to be available for further utilisation and all such Loans, accrued interest and other amounts shall become immediately due and payable.

### 8.4 Loss of exchange membership

If the Borrower's membership status of any exchange that is, in the reasonable opinion of the Agent, material to its trading activity (including, without limitation, the London Metal Exchange) is cancelled, terminated or suspended for any reason whatsoever:

- (a) the Borrower shall promptly notify the Agent upon becoming aware of that event;
- (b) a Lender shall not be obliged to fund a Loan (except for a Rollover Loan); and
- (c) the Available Commitment of each Lender shall be automatically cancelled and all Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents shall be immediately due and payable, whereupon the Facility shall immediately cease to be available for further utilisation and all such Loans, accrued interest and other amounts shall become immediately due and payable.

### 8.5 Voluntary cancellation

The Borrower may, if it gives the Agent not less than five Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of USD 500,000) of the Available Facility. Any cancellation under this Clause 8.5 shall reduce the Commitments of the Lenders rateably.

### 8.6 Right of replacement or repayment and cancellation in relation to a single Lender

- (a) If:
  - (i) any sum payable to any Lender by an Obligor is required to be increased under paragraph (c) of Clause 13.2 (*Tax gross-up*); or
  - (ii) any Lender claims indemnification from the Borrower under Clause 13.3 (*Tax indemnity*) or Clause 14.1 (*Increased Costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment of that Lender and its intention to procure the repayment of that



Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with paragraph (d) below.

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Available Commitment of that Lender shall be immediately reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall repay that Lender's participation in that Loan and that Lender's corresponding Commitment shall be immediately cancelled in the amount of the participations repaid.
- (d) If:
  - (i) any of the circumstances set out in paragraph (a) above apply to a Lender; or
  - (ii) an Obligor becomes obliged to pay any amount in accordance with Clause 8.1 (*Illegality*) to any Lender,the Borrower may, on five Business Days' prior notice to the Agent and that Lender, replace that Lender by requiring that Lender to (and, to the extent permitted by law, that Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement to an Eligible Institution which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 24 (*Changes to the Lenders*) for a purchase price in cash payable at the time of the transfer in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest (to the extent that the Agent has not given a notification under Clause 24.10 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents.
- (e) The replacement of a Lender pursuant to paragraph (d) above shall be subject to the following conditions:
  - (i) the Borrower shall have no right to replace the Agent;
  - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
  - (iii) in no event shall the Lender replaced under paragraph (d) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
  - (iv) the Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (d) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer.
- (f) A Lender shall perform the checks described in paragraph (e)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (d) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.

## 8.7 Right of cancellation in relation to a Defaulting Lender

- (a) If any Lender becomes a Defaulting Lender, the Borrower may, at any time whilst the Lender continues to be a Defaulting Lender, give the Agent five Business Days' notice of cancellation of each Available Commitment of that Lender.
- (b) On the notice referred to in paragraph (a) above becoming effective, each Available Commitment of the Defaulting Lender shall be immediately reduced to zero.
- (c) The Agent shall as soon as practicable after receipt of a notice referred to in paragraph (a) above, notify all the Lenders.

## **8.8 Restrictions**

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 8 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and, subject to any Break Costs, without premium or penalty.
- (c) Unless a contrary indication appears in this Agreement, any part of the Facility which is prepaid or repaid may be reborrowed in accordance with the terms of this Agreement.
- (d) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (e) Subject to Clause 2.2 (*Increase*), no amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (f) If the Agent receives a notice under this Clause 8 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.
- (g) If all or part of any Lender's participation in a Loan is repaid or prepaid and is not available for redrawing (other than by operation of Clause 4.2 (*Further conditions precedent*)), an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) will be deemed to be cancelled on the date of repayment or prepayment.

## **8.9 Application of prepayments**

Any prepayment of a Loan pursuant to Clause 8.2 (*Change of control*), Clause 8.3 (*Sale*) or Clause 8.4 (*Loss of exchange membership*) shall be applied *pro rata* to each Lender's participation in that Loan.

## **Section – Costs of Utilisation**

### **9 Interest**

#### **9.1 Calculation of interest**

The rate of interest on each Loan on any day during its Interest Period is the percentage rate per annum which is the aggregate of:

- (a) the Margin; and
- (b) the Enhanced Daily Rate.

#### **9.2 Payment of interest**

The Borrower shall pay accrued interest on each Loan on the day falling two SOFR Banking Days after the last day of its Interest Period.

#### **9.3 Default interest**

- (a) If an Obligor fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate which, subject to paragraph (b) below, is one per cent. per annum higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan in the currency of the overdue amount for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 9.3 shall be immediately payable by the Obligor on demand by the Agent.
- (b) If any overdue amount consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
  - (i) the first Interest Period for that overdue amount shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
  - (ii) the rate of interest applying to the overdue amount during that first Interest Period shall be one per cent. per annum higher than the rate which would have applied if the overdue amount had not become due.
- (c) Default interest (if unpaid) arising on an overdue amount will be compounded with the overdue amount at the end of each Interest Period applicable to that overdue amount but will remain immediately due and payable.

#### **9.4 Notification of rates of interest**

- (a) The Agent shall promptly notify the Lenders and the Borrower of the determination of a rate of interest under this Agreement.
- (b) This Clause 9.4 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

## **10 Interest Periods**

### **10.1 Selection of Interest Periods**

- (a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan.
- (b) Subject to this Clause 10, the Borrower may select an Interest Period of up to seven (7) days or of any other period agreed between the Borrower, the Agent and all the Lenders.
- (c) An Interest Period for a Loan shall not extend beyond the Termination Date.
- (d) Each Interest Period for a Loan shall start on the Utilisation Date.
- (e) A Loan has one Interest Period only.

### **10.2 Changes to Interest Periods**

If the Agent makes any of the changes to an Interest Period referred to in this Clause 10.2, it shall promptly notify the Borrower and the Lenders.

### **10.3 Non-Business Days**

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

## **11 Break Costs**

- (a) The Borrower shall, within three Business Days of demand by a Finance Party, pay to that Finance Party its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

## **12 Fees**

### **12.1 Commitment fee**

- (a) The Borrower shall pay to the Agent (for the account of each Lender) a fee computed at the rate of 0.55 per cent. per annum on that Lender's Available Commitment for the Availability Period.
- (b) The accrued commitment fee is payable on the last day of each successive period of three Months which ends during the Availability Period, on the last day of the Availability Period and, if cancelled in full, on the cancelled amount of the relevant Lender's Commitment at the time the cancellation is effective.

- (c) No commitment fee is payable to the Agent (for the account of a Lender) on any Available Commitment of that Lender for any day on which that Lender is a Defaulting Lender.

**12.2 Arrangement fee**

The Borrower shall pay to the Agent (for the account of the Original Lender) an arrangement fee in the amount and at the times agreed in a Fee Letter.

**12.3 Agency fee**

At any time following the date upon which there is more than one Lender under this Agreement, the Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

**1.4 Interest, commission and fees on Ancillary Facilities**

The rate and time of payment of interest, commission, fees and any other remuneration in respect of each Ancillary Facility shall be determined by agreement between the relevant Ancillary Lender and the Borrower based upon normal market rates and terms.

## Section – Additional payment obligations

### 13 Tax gross-up and indemnities

#### 13.1 Definitions

In this Agreement:

126 **Borrower DTTP Filing** means an HM Revenue & Customs' Form DTTP2 or DTTP2A duly completed and filed by the relevant Borrower, which:

- (a) where it relates to a Treaty Lender that is an Original Lender, contains the scheme reference number and jurisdiction of tax residence stated opposite that Lender's name in Schedule 1 (*The Lenders*), and is filed with HM Revenue & Customs within 30 days of the date of this Agreement; or
- (b) where it relates to a Treaty Lender that is not an Original Lender, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Lender in the documentation which it executes on becoming a Party as a Lender; and is filed with HM Revenue & Customs within 30 days of that date.

127 **Protected Party** means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Finance Document.

128 **Qualifying Lender** means:

- (a) a Lender which is beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document and is:
  - (i) a Lender:
    - (A) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Finance Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or
    - (B) in respect of an advance made under a Finance Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance; or
  - (ii) a Lender which is:
    - (A) a company resident in the United Kingdom for United Kingdom tax purposes;
    - (B) a partnership each member of which is:
      - 1) a company so resident in the United Kingdom; or

- 2) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA;
- (C) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company; or
- (iii) a Treaty Lender; or
- (b) a Lender which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Finance Document.

129 **Tax Confirmation** means a confirmation by a Lender that the person beneficially entitled to interest payable to that Lender in respect of an advance under a Finance Document is either:

- (a) a company resident in the United Kingdom for United Kingdom tax purposes;
- (b) a partnership each member of which is:
  - (i) a company so resident in the United Kingdom; or
  - (ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or
- (c) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

130 **Tax Credit** means a credit against, relief or remission for, or repayment of any Tax.

131 **Tax Deduction** means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

132 **Tax Payment** means either the increase in a payment made by an Obligor to a Finance Party under Clause 13.2 (*Tax gross-up*) or a payment under Clause 13.3 (*Tax indemnity*).

133 **Treaty Lender** means a Lender which:

- (a) is treated as a resident of a Treaty State for the purposes of the Treaty; and

- (b) does not carry on a business in the United Kingdom through a permanent establishment with which that Lender's participation in the Loan is effectively connected.

134 **Treaty State** means a jurisdiction having a double taxation agreement (a **Treaty**) with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

135 **UK Non-Bank Lender** means a Lender which is not an Original Lender and which gives a Tax Confirmation in the documentation which it executes on becoming a Party as a Lender.

Unless a contrary indication appears, in this Clause 13 a reference to "determines" or "determined" means a determination made in the absolute discretion of the person making the determination.

### 13.2 Tax gross-up

- (a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) The Borrower shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower and that Obligor.
- (c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) A payment shall not be increased under paragraph (c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:
  - (i) the payment could have been made to the relevant Lender without a Tax Deduction if the Lender had been a Qualifying Lender, but on that date that Lender is not or has ceased to be a Qualifying Lender other than as a result of any change after the date it became a Lender under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or
  - (ii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of Qualifying Lender and:
    - (A) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a **Direction**) under section 931 of the ITA which relates to the payment and that Lender has received from the Obligor making the payment or from the Borrower a certified copy of that Direction; and



- (B) the payment could have been made to the Lender without any Tax Deduction if that Direction had not been made; or
- (iii) the relevant Lender is a Qualifying Lender solely by virtue of paragraph (a)(ii) of the definition of Qualifying Lender and:
  - (A) the relevant Lender has not given a Tax Confirmation to the Borrower; and
  - (B) the payment could have been made to the Lender without any Tax Deduction if the Lender had given a Tax Confirmation to the Borrower, on the basis that the Tax Confirmation would have enabled the Borrower to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or
- (iv) the relevant Lender is a Treaty Lender and the Obligor making the payment is able to demonstrate that the payment could have been made to the Lender without the Tax Deduction had that Lender complied with its obligations under paragraph (g) or (h) (as applicable) below.
- (e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.
- (g)
  - (i) Subject to paragraph (ii) below, a Treaty Lender and each Obligor which makes a payment to which that Treaty Lender is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorisation to make that payment without a Tax Deduction.
  - (ii)
    - (A) A Treaty Lender which is an Original Lender and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Schedule 1 (*The Lenders*); and
    - (B) a Treaty Lender which is not an Original Lender and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the documentation which it executes on becoming a Party as a Lender,

and, having done so, that Lender shall be under no obligation pursuant to paragraph (i) above.

- (h) If a Lender has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii) above and:
  - (i) the Borrower has not made a Borrower DTTP Filing in respect of that Lender; or
  - (ii) the Borrower has made a Borrower DTTP Filing in respect of that Lender but:
    - (A) that Borrower DTTP Filing has been rejected by HM Revenue & Customs;
    - (B) HM Revenue & Customs has not given the Borrower authority to make payments to that Lender without a Tax Deduction within 60 days of the date of the Borrower DTTP Filing; or
    - (C) HM Revenue & Customs has given the Borrower authority to make payments to that Lender without a Tax Deduction but such authority has subsequently been revoked or expired,

and, in each case, the Borrower has notified that Lender in writing, that Lender and the Borrower shall co-operate in completing any additional procedural formalities necessary for the Borrower to obtain authorisation to make that payment without a Tax Deduction.

- (i) If a Lender has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with paragraph (g)(ii) above, no Obligor shall make a Borrower DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Lender's Commitment or its participation in any Loan unless the Lender otherwise agrees.
- (j) The Borrower shall, promptly on making a Borrower DTTP Filing, deliver a copy of the Borrower DTTP Filing to the Agent for delivery to the relevant Lender.
- (k) A UK Non-Bank Lender shall promptly notify the Borrower and the Agent if there is any change in the position from that set out in the Tax Confirmation.

### **13.3 Tax indemnity**

- (a) The Borrower shall (within three Business Days of demand by the Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Finance Document.
- (b) Paragraph (a) above shall not apply:
  - (i) with respect to any Tax assessed on a Finance Party:
    - (A) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(B) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(ii) to the extent a loss, liability or cost:

(A) is compensated for by an increased payment under Clause 13.2 (*Tax gross-up*);

(B) would have been compensated for by an increased payment under Clause 13.2 (*Tax gross-up*) but was not so compensated solely because one of the exclusions in paragraph (d) of Clause 13.2 (*Tax gross-up*) applied; or

(C) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under paragraph (a) above shall promptly notify the Agent of the event which will give, or has given, rise to the claim, following which the Agent shall notify the Borrower.

(d) Protected Party shall, on receiving a payment from an Obligor under this Clause 13.3, notify the Agent.

#### **13.4 Tax Credit**

If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

#### **13.5 Lender status confirmation**

Each Lender which is not an Original Lender shall indicate, in the documentation which it executes on becoming a Party as a Lender, and for the benefit of the Agent and without liability to any Obligor, which of the following categories it falls in:

(a) not a Qualifying Lender;

(b) a Qualifying Lender (other than a Treaty Lender); or

(c) a Treaty Lender.

If such a Lender fails to indicate its status in accordance with this Clause 13.5 then that Lender shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Lender until such time as it notifies the Agent which category applies (and the Agent, upon receipt of such notification, shall inform the Borrower). For the avoidance of doubt, the documentation which a Lender executes on becoming a Party as a Lender shall not be invalidated by any failure of a Lender to comply with this Clause 13.5.

### 13.6 Stamp taxes

The Borrower shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Finance Document.

### 13.7 VAT

- (a) All amounts expressed to be payable under a Finance Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to paragraph (b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Finance Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).
- (b) If VAT is or becomes chargeable on any supply made by any Finance Party (the **Supplier**) to any other Finance Party (the **Recipient**) under a Finance Document, and any Party other than the Recipient (the **Relevant Party**) is required by the terms of any Finance Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):
  - (i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this paragraph (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and
  - (ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.
- (c) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party

reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

- (d) Any reference in this Clause 13.7 to any Party shall, at any time when such Party is treated as a member of a group for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the representative member of such group at such time (the term "representative member" to have the same meaning as in the Value Added Tax Act 1994).
- (e) In relation to any supply made by a Finance Party to any Party under a Finance Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

### **13.8 FATCA information**

- (a) Subject to paragraph (c) below, each Party shall, within ten Business Days of a reasonable request by another Party:
  - (i) confirm to that other Party whether it is:
    - (A) a FATCA Exempt Party; or
    - (B) not a FATCA Exempt Party;
  - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
  - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
  - (i) any law or regulation;
  - (ii) any fiduciary duty; or
  - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the

Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

### 13.9 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

## 14 Increased Costs

### 14.1 Increased Costs

- (a) Subject to Clause 14.3 (*Exceptions*) the Borrower shall, within three Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation or (ii) compliance with any law or regulation made after the date of this Agreement, or (iii) the implementation, administration or application of Basel III or CRD IV or any other law or regulation that implements Basel III or CRD IV.

- (b) In this Agreement:

136 **Basel III** means:

- (a) the agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A global regulatory framework for more resilient banks and banking systems", "Basel III: International framework for liquidity, risk measurement, standards and monitoring" and "Guidance for national authorities operating the countercyclical capital buffer" published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (b) the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated;
- (c) the agreements contained in "Basel III: Finalising post-crisis reforms" published by the Basel Committee on Banking Supervision in December 2017 as amended, supplemented or restated; and
- (d) any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

137 **CRD IV** means:

- (a) "Regulation (EU) No 575/2013 of the European Parliament and of the Council dated 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012" as amended from time to time; and
- (b) "Directive 2013/36/EU of the European Parliament and of the Council dated 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC", as amended from time to time,

in each case including as in effect in the United Kingdom as retained EU law within the meaning of the European Union (Withdrawal) Act 2018.

138 **Increased Costs** means:

- (a) a reduction in the rate of return from the Facility or on a Finance Party's (or its Affiliate's) overall capital;
- (b) an additional or increased cost; or
- (c) a reduction of any amount due and payable under any Finance Document,

139 which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to that Finance Party having entered into its Commitment or an Ancillary Commitment or funding or performing its obligations under any Finance Document.

#### 14.2 **Increased Cost claims**

- (a) A Finance Party intending to make a claim pursuant to Clause 14.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

#### 14.3 **Exceptions**

- (a) Clause 14.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:
  - (i) attributable to a Tax Deduction required by law to be made by an Obligor;
  - (ii) attributable to a FATCA Deduction required to be made by a Party;
  - (iii) compensated for by Clause 13.3 (*Tax indemnity*) (or would have been compensated for under Clause 13.3 (*Tax indemnity*) but was not so compensated solely because any of the exclusions in paragraph (b) of Clause 13.3 (*Tax indemnity*) applied); or
  - (iv) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation.
- (b) In this Clause 14.3, a reference to a **Tax Deduction** has the same meaning given to that term in Clause 13.1 (*Definitions*).

## 15 Other indemnities

### 15.1 Currency indemnity

- (a) If any sum due from an Obligor under the Finance Documents (a **Sum**), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the **First Currency**) in which that Sum is payable into another currency (the **Second Currency**) for the purpose of:
- (i) making or filing a claim or proof against that Obligor; or
  - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,
- that Obligor shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) Each Obligor waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

### 15.2 Other indemnities

The Borrower shall (or shall procure that an Obligor will), within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) a failure by an Obligor to pay any amount due under a Finance Document on its due date, including, without limitation, any cost, loss or liability arising as a result of Clause 29 (*Sharing among the Finance Parties*);
- (c) funding, or making arrangements to fund, its participation in a Loan requested by the Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (d) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower.

### 15.3 Indemnity to the Agent

The Borrower shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:

- (a) investigating any event which it reasonably believes is a Default;
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or



- (c) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.

## **16 Mitigation by the Lenders**

### **16.1 Mitigation**

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 8.1 (*Illegality*), Clause 13 (*Tax gross-up and indemnities*) or Clause 14 (*Increased Costs*) including (but not limited to) transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of any Obligor under the Finance Documents.

### **16.2 Limitation of liability**

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under Clause 16.1 (*Mitigation*).
- (b) A Finance Party is not obliged to take any steps under Clause 16.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

## **17 Costs and expenses**

### **17.1 Transaction expenses**

The Borrower shall promptly on demand pay the Agent the amount of all costs and expenses (including legal fees) reasonably incurred by any of them in connection with the negotiation, preparation, printing and execution of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the date of this Agreement.

### **17.2 Amendment costs**

If:

- (a) an Obligor requests an amendment, waiver or consent; or
- (b) an amendment is required pursuant to Clause 30.10 (*Change of currency*),

the Borrower shall, within three Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

### **17.3 Enforcement costs**

The Borrower shall, within three Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

## **Section - Guarantee**

### **18 Guarantee and indemnity**

#### **18.1 Guarantee and indemnity**

The Parent irrevocably and unconditionally jointly and severally:

- (a) guarantees to each Finance Party punctual performance by the Borrower of all the Borrower's obligations under the Finance Documents;
- (b) undertakes with each Finance Party that whenever the Borrower does not pay any amount when due under or in connection with any Finance Document, the Parent shall immediately on demand pay that amount as if it was the principal obligor; and
- (c) agrees with each Finance Party that if any obligation guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify that Finance Party immediately on demand against any cost, loss or liability it incurs as a result of the Borrower not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Finance Document on the date when it would have been due. The amount payable by the Parent under this indemnity will not exceed the amount it would have had to pay under this Clause 18 if the amount claimed had been recoverable on the basis of a guarantee.

#### **18.2 Continuing guarantee**

This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by any Obligor under the Finance Documents, regardless of any intermediate payment or discharge in whole or in part.

#### **18.3 Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of any Obligor or any security for those obligations or otherwise) is made by a Finance Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Parent under this Clause 18 will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### **18.4 Waiver of defences**

The obligations of the Parent under this Clause 18 will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Clause 18 (without limitation and whether or not known to it or any Finance Party) including:

- (a) any time, waiver or consent granted to, or composition with, any Obligor or other person;
- (b) the release of any other Obligor or any other person under the terms of any composition or arrangement with any creditor of any member of the Group;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any Obligor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of an Obligor or any other person;
- (e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Finance Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Finance Document or other document or security;
- (f) any unenforceability, illegality or invalidity of any obligation of any person under any Finance Document or any other document or security; or
- (g) any insolvency or similar proceedings.

#### **18.5 Immediate recourse**

The Parent waives any right it may have of first requiring any Finance Party (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Parent under this Clause 18. This waiver applies irrespective of any law or any provision of a Finance Document to the contrary.

#### **18.6 Appropriations**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, each Finance Party (or any trustee or agent on its behalf) may:

- (a) refrain from applying or enforcing any other moneys, security or rights held or received by that Finance Party (or any trustee or agent on its behalf) in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Parent shall not be entitled to the benefit of the same; and
- (b) hold in an interest-bearing suspense account any moneys received from the Parent or on account of the Parent's liability under this Clause 18.

#### **18.7 Deferral of Parent's rights**

Until all amounts which may be or become payable by the Obligors under or in connection with the Finance Documents have been irrevocably paid in full, and unless the Agent otherwise directs, the Parent will not exercise any rights which it may have by reason of performance by it of its obligations under the Finance Documents or by reason of any amount being payable, or liability arising, under this Clause 18:

- (a) to be indemnified by an Obligor;
- (b) to claim any contribution from any other guarantor of any Obligor's obligations under the Finance Documents;

- (c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Finance Parties under the Finance Documents or of any other guarantee or security taken pursuant to, or in connection with, the Finance Documents by any Finance Party;
- (d) to bring legal or other proceedings for an order requiring any Obligor to make any payment, or perform any obligation, in respect of which the Parent has given a guarantee, undertaking or indemnity under Clause 18.1 (*Guarantee and indemnity*);
- (e) to exercise any right of set-off against any Obligor; and/or
- (f) to claim or prove as a creditor of any Obligor in competition with any Finance Party.

If the Parent receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Finance Parties by the Obligors under or in connection with the Finance Documents to be repaid in full on trust for the Finance Parties and shall promptly pay or transfer the same to the Agent or as the Agent may direct for application in accordance with Clause 30 (*Payment mechanics*).

#### **18.8 Additional security**

This guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by any Finance Party.

## **Section – Representations, undertakings and Events of Default**

### **19 Representations**

Each Obligor makes the representations and warranties set out in this Clause 19 to each Finance Party on the date of this Agreement.

#### **19.1 Status**

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It and, in the case of the Borrower, each of its Subsidiaries has the power to own its assets and carry on its business as it is being conducted.

#### **19.2 Binding obligations**

The obligations expressed to be assumed by it in each Finance Document are, subject to any general principles of law limiting its obligations which are specifically referred to in any legal opinion delivered pursuant to Clause 4 (*Conditions of Utilisation*), legal, valid, binding and enforceable obligations.

#### **19.3 Non-conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its or, in the case of the Borrower, any of its Subsidiaries' constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets or, in the case of the Borrower, on any of its Subsidiaries or any of its Subsidiaries' assets.

#### **19.4 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

#### **19.5 Validity and admissibility in evidence**

All Authorisations required or desirable:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party; and
  - (b) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation,
- have been obtained or effected and are in full force and effect.

## **19.6 Governing law and enforcement**

- (a) The choice of English law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.
- (b) Any judgment obtained in England in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

## **19.7 Deduction of Tax**

It is not required to make any Tax Deduction (as defined in Clause 13.1 (*Definitions*)) from any payment it may make under any Finance Document to a Lender which is:

- (a) a Qualifying Lender:
  - (i) falling within paragraph (a)(i) of the definition of "Qualifying Lender"; or
  - (ii) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within paragraph (a)(ii) of the definition of "Qualifying Lender"; or
  - (iii) falling within paragraph (b) of the definition of "Qualifying Lender" or;
- (b) a Treaty Lender and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488).

## **19.8 No filing or stamp taxes**

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents.

## **19.9 No default**

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or, in the case of the Borrower, any of its Subsidiaries or to which its (or, in the case of the Borrower, any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

## **19.10 No misleading information**

- (a) Any factual information provided by the Parent or any member of the Borrower Group was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (b) The financial projections provided to the Agent have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.

- (c) Nothing has occurred since the date that any such information was provided and nothing has been omitted from such information provided to the Agent and no information has been given or withheld by the Parent or any member of the Borrower Group that results in the information supplied by the Parent and/or any member of the Borrower Group being untrue or misleading in any material respect.

#### **19.11 Financial statements**

- (a) Its Original Financial Statements were prepared in accordance with GAAP consistently applied.
- (b) Its Original Financial Statements fairly present its financial condition as at the end of the relevant financial year and its consolidated results of operations during the relevant financial year.
- (c) In the case of the Borrower, there has been no material adverse change in its business or financial condition (or the business or consolidated financial condition of the Borrower Group) since the accounts most recently delivered pursuant to Clause 20.1 (*Financial statements*).

#### **19.12 Pari passu ranking**

Its payment obligations under the Finance Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

#### **19.13 No proceedings**

- (a) No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against it or, in the case of the Borrower, any of its Subsidiaries.
- (b) No judgment or order of a court, arbitral body or agency which might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief) been made against it or, in the case of the Borrower, any of its Subsidiaries.

#### **19.14 Sanctions**

- (a) Neither it nor any of its Subsidiaries, nor any directors, officers or employees of it or any of its Subsidiaries:
  - (i) is a Restricted Party or is engaging in or has engaged in any transaction or conduct that could result in it becoming a Restricted Party;
  - (ii) is or ever has been subject to any claim, proceeding, formal notice or investigation with respect to Sanctions;
  - (iii) is engaging or has engaged in any transaction that evades or avoids, or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions applicable to it; or



- (iv) has engaged or is engaging, directly or indirectly, in any trade, business or other activities with or for the benefit of any Restricted Party.
- (b) No Loan, nor the proceeds from any Loan, has been or will be used, directly or indirectly, to lend, contribute, provide or has otherwise been made to fund or finance any business activities or transactions:
  - (i) of or with a Restricted Party; or
  - (ii) in any other manner which would result in any Obligor or any member of the Group or the Lender being in breach of any Sanctions or becoming a Restricted Party.
- (c) No provision of this Clause 19.14 is given to the extent that it would be in breach of, or conflict with Council Regulation (EC) No 2271/1996 of 22 November 1996 (as amended) or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom.

#### **19.15 Anti-corruption law**

It and each member of the Group has conducted its business in compliance with applicable anti-corruption laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

#### **19.16 Plan Assets**

As of the date of this Agreement, the Borrower is not and will not be using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to the Borrower's entry into, participation in, administration of and performance of the Loans, the Commitments or this Agreement

#### **19.17 Investment Company Act**

Neither Obligor is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

#### **19.18 Margin Stock**

Neither Obligor is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate, of buying or carrying "margin stock" (within the meaning of Regulations T, U and X of the Board of Governors of the Federal Reserve System of the United States of America), and no part of the proceeds of any Utilisation will be used to buy or carry any margin stock (as so defined). After applying the proceeds of any Utilisation made hereunder, not more than 25% of the value of the assets of (a) either Obligor or (b) either Obligor and each of its Subsidiaries, on a consolidated basis, is represented by margin stock (as so defined).

#### **19.19 Repetition**

The Repeating Representations are deemed to be made by each Obligor by reference to the facts and circumstances then existing on the date of each Utilisation Request, the first day of each Interest Period, the date of each Accordion Option Notice and on each Accordion Option Increase Date.

## 20 Information undertakings

The undertakings in this Clause 20 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

### 20.1 Financial statements

The Borrower shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within 120 days after the end of each of its financial years its audited consolidated financial statements for that financial year;
- (b) as soon as the same become available, but in any event within 45 days after the end of each quarter of each of its financial years, its consolidated financial statements for that financial quarter; and
- (c) a copy of each financial statement and other deliverable that is delivered to the Administrative Agent (as defined in the Parent Facility Agreement) and Lenders (as defined in the Parent Facility Agreement) under the provisions of section 7.01 of the Parent Facility Agreement within two (2) Business Days of such delivery under the Parent Facility Agreement, which delivery shall include any certificates or other information delivered in conjunction with such financial statements in accordance with the provisions of section 7.02 of the Parent Facility Agreement.

### 20.2 Compliance Certificate

- (a) The Borrower shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (a) or (b) of Clause 20.1 (*Financial statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 21 (*Financial covenants*) as at the date as at which those financial statements were drawn up.
- (b) Each Compliance Certificate shall be signed by two directors of the Borrower (one of whom must be the Borrower's finance director).

### 20.3 Requirements as to financial statements

- (a) Each set of financial statements delivered by the Borrower pursuant to paragraph (a) or (b) of Clause 20.1 (*Financial statements*) shall be certified by a director of the relevant company as fairly presenting its financial condition as at the date as at which those financial statements were drawn up.
- (b) The Borrower shall procure that each set of financial statements of an Obligor delivered pursuant to paragraph (a) or (b) of Clause 20.1 (*Financial statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for that Obligor unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, the accounting practices or reference periods and its auditors (or, if appropriate, the auditors of the Obligor) deliver to the Agent:

- (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which that Obligor's Original Financial Statements were prepared; and
- (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 21 (*Financial covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and that Obligor's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

#### **20.4 Information: miscellaneous**

The Borrower shall supply to the Agent (in sufficient copies for all the Lenders, if the Agent so requests):

- (a) all documents dispatched by the Borrower to its shareholders (or any class of them) or its creditors generally at the same time as they are dispatched;
- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which might, if adversely determined, have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group, and which might have a Material Adverse Effect;
- (d) promptly upon becoming aware of them, the details of any proposed change of management in respect of an Obligor; and
- (e) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request.

#### **20.5 Notification of default**

- (a) Each Obligor shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Obligor is aware that a notification has already been provided by another Obligor).
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

#### **20.6 Direct electronic delivery by Borrower**

The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender in accordance with

Clause 32.5 (*Electronic communication*) to the extent that Lender and the Agent agree to this method of delivery.

## 20.7 "Know your customer" checks

- (a) If:
- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Agreement;
  - (ii) any change in the status of an Obligor (or of a Holding Company of an Obligor) after the date of this Agreement; or
  - (iii) a proposed assignment or transfer by a Lender of any of its rights and obligations under this Agreement to a party that is not a Lender prior to such assignment or transfer,

obliges the Agent or any Lender (or, in the case of paragraph (iii) above, any prospective new Lender) to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, each Obligor shall promptly upon the request of the Agent or any Lender supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender) or any Lender (for itself or, in the case of the event described in paragraph (iii) above, on behalf of any prospective new Lender) in order for the Agent, such Lender or, in the case of the event described in paragraph (iii) above, any prospective new Lender to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents.

## 21 Financial covenants

### 21.1 Financial definitions

In this Agreement:

**Financial Quarter** means the period commencing on the day after one Quarter Date and ending on the next Quarter Date.

140 **Financial Year** means the annual accounting period of the Borrower Group ending on or about 30 September in each year.

141 **Net Tangible Assets** means, on any date, Total Net Assets less Total Liabilities on that date.

142 **Quarter Date** means 31 March, 30 June, 30 September and 31 December in each year.

**Relevant Period** means each period of twelve months ending on or about the last day of the Financial Year and each period of twelve months ending on or about the last day of each Financial Quarter.

**Total Assets** means, on any date, the aggregate (on a consolidated basis) of all assets of each member of the Borrower Group on that date.

**Total Intangible Assets** means, on any date, the aggregate (on a consolidated basis) of all intangible assets of each member of the Borrower Group on that date.

**Total Liabilities** means, on any date, the aggregate (on a consolidated basis) of all liabilities of each member of the Borrower Group on that date.

**Total Net Assets** means, on any date, Total Assets less Total Intangible Assets on that date.

## **1.2 Financial condition**

The Borrower shall ensure that Net Tangible Assets shall at no time be less than USD 250,000,000.

## **21.3 Financial testing**

The financial covenant set out in Clause 21.2 (*Financial condition*) shall be calculated in accordance with the accounting practices and financial reference points consistent with those applied in the preparation of the Original Financial Statements and tested by reference to each of the financial statements delivered pursuant to paragraphs (a) and (b) of Clause 20.1 (*Financial statements*) and/or each Compliance Certificate delivered pursuant to Clause 20.2 (*Compliance Certificate*).

## **22 General undertakings**

The undertakings in this Clause 22 remain in force from the date of this Agreement for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

### **22.1 Authorisations**

Each Obligor shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) supply certified copies to the Agent of,

any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

### **22.2 Compliance with laws**

Each Obligor shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Finance Documents.

## 22.3 Negative pledge

In this Clause 22.3, **Quasi-Security** means an arrangement or transaction described in paragraph (b) below.

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Borrower Group will) create or permit to subsist any Security over any of its assets.
- (b) No Obligor shall (and the Borrower shall ensure that no other member of the Borrower Group will):
  - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by an Obligor or any other member of the Borrower Group;
  - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
  - (iii) enter into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
  - (iv) enter into any other preferential arrangement having a similar effect,

in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (c) Paragraphs (a) and (b) above do not apply to any Security or (as the case may be) Quasi-Security, listed below:
  - (i) Security granted by the Borrower in favour of Bank of China Limited, London Branch prior to the date of this Agreement on the terms that are in place as at the date of this Agreement over warrants which are deposited with Bank of China Limited, London Branch as security in connection with the facility under which such warrants were financed, provided that the maximum amount secured thereby does not at any time exceed USD 20,000,000;
  - (ii) any Security granted by the Borrower in favour of LME and/or LME Clear (in each case in its own capacity and not on behalf of or on trust for other persons) provided that such Security is granted by the Borrower in the ordinary course of its business in accordance with the LME Rules and Procedures and in order to support exchange membership and clearing agreements with the LME;
  - (iii) in respect of the Parent, any Security or Quasi-Security that it is permitted to create under the terms of the Parent Facility Agreement;
  - (iv) any netting or set-off arrangement entered into by an Obligor or a member of the Borrower Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances (including a Multi-account Overdraft);
  - (v) any payment or close out netting or set-off arrangement pursuant to any hedging transaction entered into by an Obligor or a member of the Borrower Group for the purpose of:

- (A) hedging any risk to which an Obligor or a member of the Borrower Group is exposed in its ordinary course of trading; or
  - (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,
- excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;
- (vi) any lien arising by operation of law and in the ordinary course of trading;
  - (vii) any Security or Quasi-Security over or affecting any asset acquired by an Obligor or a member of the Borrower Group after the date of this Agreement if:
    - (A) the Security or Quasi-Security was not created in contemplation of the acquisition of that asset by an Obligor or a member of the Borrower Group; and
    - (B) the principal amount secured has not been increased in contemplation of or since the acquisition of that asset by an Obligor or a member of the Borrower Group;
  - (viii) any Security or Quasi-Security over or affecting any asset of any company which becomes a member of the Borrower Group after the date of this Agreement, where the Security or Quasi-Security is created prior to the date on which that company becomes a member of the Borrower Group, if:
    - (A) the Security or Quasi-Security was not created in contemplation of the acquisition of that company; and
    - (B) the principal amount secured has not increased in contemplation of or since the acquisition of that company;
  - (ix) any Security or Quasi-Security entered into pursuant to any Finance Document;
  - (x) Security which is deemed to exist in connection with Investments in repurchase transactions which are permitted by the FCA and the LME with respect to trading assets entered into by a member of the Borrower Group in the ordinary course of business with non-Affiliates, so long as the obligations of the counterparty are valid, enforceable and in full force and effect;
  - (xi) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to an Obligor or a member of the Borrower Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Borrower Group; or
  - (xii) any Security or Quasi-Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security or Quasi-Security given by an Obligor or any

member of the Borrower Group other than any permitted under paragraphs (i) to (xi) above) does not exceed USD 2,000,000 (or its equivalent in another currency or currencies).

#### **22.4 Disposals**

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Borrower Group will) enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
  - (i) in respect of the Parent, any sale, lease, licence, transfer or other disposal that it is permitted to make under the terms of the Parent Facility Agreement;
  - (ii) made in the ordinary course of trading of the disposing entity;
  - (iii) of assets in exchange for other assets comparable or superior as to type, value and quality (other than an exchange of a non-cash asset for cash); or
  - (i) where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal, other than any permitted under paragraphs (i) to (iii) above) does not exceed an amount equal to 7.5 per cent of the Tangible Net Assets of the Borrower (or its equivalent in another currency or currencies) in any financial year.

#### **22.5 Merger**

- (a) No Obligor shall (and the Borrower shall ensure that no other member of the Borrower Group will) enter into any amalgamation, demerger, merger or corporate reconstruction.
- (b) Paragraph (a) above does not apply to:
  - (i) any sale, lease, transfer or other disposal permitted pursuant to Clause 22.4 (*Disposals*); or
  - (ii) the Permitted Reorganisation.

#### **22.6 Change of business**

The Borrower shall procure that no substantial change is made to the general nature of the business of the Obligors or the Borrower Group from that carried on at the date of this Agreement.

#### **22.7 Sanctions - use of Loans**

- (a) No Obligor and no member of the Group may:
  - (i) use, lend, contribute or otherwise make available any part of the proceeds of any Loan or other transaction contemplated:



- (A) for the purpose of financing any trade, business or other activities involving, or for the benefit of, any Restricted Party; or
  - (B) in any other manner that would reasonably be expected to result in any person being in breach of any Sanctions or becoming a Restricted Party;
- (ii) engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or breaches or attempts to breach, directly or indirectly, any Sanctions applicable to it; or
  - (iii) fund all or part of any payment in connection with a Finance Document out of proceeds derived from business or transactions with a Restricted Party, or from any action which is in breach of any Sanctions
- (b) No provision of this Clause 22.7 is given to the extent that it would be in breach of, or conflict with Council Regulation (EC) No 2271/1996 of 22 November 1996 (as amended) or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom.

#### **22.8 Anti-corruption law**

- (a) No Obligor shall (and shall ensure that none of its Subsidiaries will) directly or indirectly use the proceeds of the Facility for any purpose which would breach the Bribery Act 2010, the United States Foreign Corrupt Policies Act of 1977 or other similar legislation in other jurisdictions.
- (b) Each Obligor shall (and shall ensure that each of its Subsidiaries will):
  - (i) conduct its business in compliance with applicable anti-corruption laws; and
  - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

#### **22.9 Acquisitions**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no member of the Borrower Group will):
  - (i) acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them); or
  - (ii) incorporate a company.
- (b) Paragraph (a) above does not apply to an acquisition of a company, of shares, securities or a business or undertaking (or, in each case, any interest in them) or the incorporation of a company which is a Permitted Acquisition.

#### **22.10 Pari passu ranking**

Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of the Lender against it under the Finance Documents rank at least *pari passu* with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to companies.

### **22.11 Financial Indebtedness**

- (a) Except as permitted under paragraph (b) below, no Obligor shall (and the Borrower shall ensure that no other member of the Borrower Group will) incur or allow to remain outstanding any Financial Indebtedness.
- (b) Paragraph (a) above does not apply to Financial Indebtedness which is Permitted Financial Indebtedness.

### **22.12 Investments**

No Obligor shall (and the Borrower shall ensure that no member of the Borrower Group will) make any Investments other than:

- (a) in respect of the Parent, as permitted under the Parent Facility Agreement; and
- (b) in respect of each Obligor and each member of the Borrower Group, by way of a Permitted Acquisition or as part of the Permitted Reorganisation.

### **22.13 Regulatory requirements**

Each Obligor shall (and the Borrower shall ensure that each member of the Borrower Group will) comply in all respects with all regulatory requirements to which it may be subject, if failure to so comply has or is reasonably likely to have a Material Adverse Effect.

### **22.14 ERISA Compliance**

The Parent shall do, and cause each of its ERISA Affiliates to do, each of the following:

- (a) maintain each Plan in compliance in all material respects with the applicable provisions of ERISA, the Code and other US federal or state law;
- (b) cause each Plan that is qualified under Section 401(a) of the Code to maintain such qualification; and
- (c) make all required contributions to any Plan subject to Section 412, Section 430 or Section 431 of the Code.

## **23 Events of Default**

Each of the events or circumstances set out in Clause 23 is an Event of Default (save for Clause 22.13 (*Acceleration*)).

### **23.1 Non-payment**

An Obligor does not pay on the due date any amount payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
  - (i) administrative or technical error; or
  - (ii) a Disruption Event; and

- (b) payment is made within two Business Days of its due date.

### **23.2 Financial covenants**

Any requirement of Clause 21 (*Financial covenants*) is not satisfied.

### **23.3 Other obligations**

- (a) An Obligor does not comply with any provision of the Finance Documents (other than those referred to in Clause 23.1 (*Non-payment*) and Clause 23.2 (*Financial covenants*)).
- (b) No Event of Default under paragraph (a) above will occur if the failure to comply is capable of remedy and is remedied within 10 Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.

### **23.4 Misrepresentation**

Any representation or statement made or deemed to be made by an Obligor in the Finance Documents or any other document delivered by or on behalf of any Obligor under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.

### **23.5 Cross default**

- (a) Any Financial Indebtedness of any Obligor or any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any Obligor or any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any Obligor or any member of the Group is cancelled or suspended by a creditor of any Obligor or any member of the Group as a result of an event of default (however described).
- (d) Any creditor of any Obligor or any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).
- (e) No Event of Default will occur under this Clause 23.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than:
  - (i) in the case of the Group as a whole, USD 10,000,000 (or its equivalent in any other currency or currencies); or
  - (ii) in the case of the Borrower Group, USD 1,000,000 (or its equivalent in any other currency or currencies).

### **23.6 Insolvency**

- (a) A member of the Group:

- (i) is unable or admits inability to pay its debts as they fall due;
- (ii) suspends making payments on any of its debts; or
- (iii) by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (iv) The value of the assets of any member of the Group is less than its liabilities (taking into account contingent and prospective liabilities).
- (v) A moratorium is declared in respect of any indebtedness of any member of the Group.

### **23.7 Insolvency proceedings**

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any member of the Group other than a solvent liquidation or reorganisation of any member of the Group which is not an Obligor;
- (b) a composition, compromise, assignment or arrangement with any creditor of any member of the Group;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of a member of the Group which is not an Obligor), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any member of the Group or any of its assets; or
- (d) enforcement of any Security over any assets of any member of the Group,

or any analogous procedure or step is taken in any jurisdiction.

This Clause 23.7 shall not apply to any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 14 days of commencement.

### **23.8 Creditors' process**

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any member of the Group having an aggregate value of USD 2,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 14 days.

### **23.9 Unlawfulness**

It is or becomes unlawful for an Obligor to perform any of its obligations under the Finance Documents.

### **23.10 Repudiation**

An Obligor repudiates a Finance Document or evidences an intention to repudiate a Finance Document.

### 23.11 Litigation

- (a) Any litigation, arbitration or administrative proceedings or investigations of, or before, any court, arbitral body or agency are started or threatened, or any judgment or order of a court, arbitral body or agency is made, against any Obligor or any member of the Group or its assets.
- (b) No Event of Default will occur under this Clause 23.11 if the aggregate value of all litigation, arbitration, administrative proceedings, investigations, judgment or order of a court, arbitral body or agency falling within paragraph (a) above during the term of this Agreement is less than:
  - (i) in the case of the Group as a whole, USD 25,000,000 (or its equivalent in any other currency or currencies); and
  - (ii) in the case of the Borrower Group, USD 10,000,000 (or its equivalent in any other currency or currencies).

### 23.12 Material adverse change

Any event or circumstance, or series of events or circumstances, occurs which the Majority Lenders reasonably believe has or is reasonably likely to have a Material Adverse Effect.

### 23.13 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

- (a) cancel the Available Commitment of each Lender and/or each Ancillary Commitment of each Ancillary Lender whereupon each such Available Commitment and Ancillary Commitment shall immediately be cancelled and the Facility shall immediately cease to be available for further utilisation;
- (b) declare that all or part of the Loans, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders;
- (d) declare all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities to be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (e) declare that all or any part of the amounts (or cash cover in relation to those amounts) outstanding under the Ancillary Facilities be payable on demand, at which time they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders,

Provided that, in the case of the occurrence of an Event of Default of the kind referred to in Clause 23.6 (*Insolvency*) or 23.7 (*Insolvency Proceedings*), (a) all such Available Commitments and Ancillary Commitments shall automatically be terminated, and (b) the principal amount of, and the accrued interest on, the Utilisations then outstanding and all

other amounts payable by the Borrower hereunder shall become automatically due and payable, all without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by each Obligor.

## Section – Changes to Parties

### 24 Changes to the Lenders

#### 24.1 Assignments and transfers by the Lenders

Subject to this Clause 24, a Lender (the **Existing Lender**) may:

- (a) assign any of its rights; or
- (b) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the **New Lender**).

#### 24.2 Borrower consent

- (a) The consent of the Borrower is required for an assignment or transfer by an Existing Lender, unless the assignment or transfer is:
  - (i) to another Lender or an Affiliate or Related Fund of any Lender; or
  - (ii) made at a time when an Event of Default is continuing.
- (b) The consent of the Borrower to an assignment or transfer must not be unreasonably withheld or delayed. The Borrower will be deemed to have given its consent five Business Days after the Existing Lender has requested it unless consent is expressly refused by the Borrower within that time.

#### 24.3 Other conditions of assignment or transfer

- (a) An assignment will only be effective on:
  - (i) receipt by the Agent (whether in the Assignment Agreement or otherwise) of written confirmation from the New Lender (in form and substance satisfactory to the Agent) that the New Lender will assume the same obligations to the other Finance Parties as it would have been under if it had been an Original Lender; and
  - (ii) performance by the Agent of all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to such assignment to a New Lender, the completion of which the Agent shall promptly notify to the Existing Lender and the New Lender.
- (b) A transfer will only be effective if the procedure set out in Clause 24.6 (*Procedure for transfer*) is complied with.
- (c) If:
  - (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and

- (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the New Lender or Lender acting through its new Facility Office under Clause 13 (*Tax gross-up and indemnities*) or Clause 14 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This paragraph (c) shall not apply:

- (iii) in respect of an assignment or transfer made in the ordinary course of the primary syndication of the Facility; or
  - (iv) in relation to Clause 13.2 (*Tax gross-up*), to a Treaty Lender that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with paragraph (g)(ii)(B) of Clause 13.2 (*Tax gross-up*) if the Obligor making the payment has not made a Borrower DTTP Filing in respect of that Treaty Lender.
- (d) Each New Lender, by executing the relevant Transfer Certificate or Assignment Agreement, confirms, for the avoidance of doubt, that the Agent has authority to execute on its behalf any amendment or waiver that has been approved by or on behalf of the requisite Lender or Lenders in accordance with this Agreement on or prior to the date on which the transfer or assignment becomes effective in accordance with this Agreement and that it is bound by that decision to the same extent as the Existing Lender would have been had it remained a Lender.
  - (e) Any assignment or transfer by an Existing Lender to a New Lender shall only be effective if it assigns or transfers the Existing Lender's share of the Facility pro rata against the Existing Lender's Available Commitment and its participation in Utilisations under the Facility.

#### **24.4 Assignment or transfer fee**

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of GBP 3,000.

#### **24.5 Limitation of responsibility of Existing Lenders**

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
  - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
  - (ii) the financial condition of any Obligor;
  - (iii) the performance and observance by any Obligor of its obligations under the Finance Documents or any other documents; or
  - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,

and any representations or warranties implied by law are excluded.



- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
  - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of each Obligor and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
  - (ii) will continue to make its own independent appraisal of the creditworthiness of each Obligor and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
  - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 24; or
  - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by any Obligor of its obligations under the Finance Documents or otherwise.

#### 24.6 Procedure for transfer

- (a) Subject to the conditions set out in Clause 24.2 (*Borrower consent*) and Clause 24.3 (*Other conditions of assignment or transfer*) a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.
- (b) The Agent shall only be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the transfer to such New Lender.
- (c) Subject to Clause 24.10 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents each of the Obligors and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the **Discharged Rights and Obligations**);
  - (ii) each of the Obligors and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as that Obligor and the New Lender have assumed and/or acquired the same in place of that Obligor and the Existing Lender;

- (iii) the Agent, the New Lender, the other Lenders and any relevant Ancillary Lender shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, any relevant Ancillary Lender and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
- (iv) the New Lender shall become a Party as a "Lender".

#### 24.7 Procedure for assignment

- (a) Subject to the conditions set out in Clause 24.2 (*Borrower consent*) and Clause 24.3 (*Other conditions of assignment or transfer*) an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Agent shall only be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender once it is satisfied it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to the assignment to such New Lender.
- (c) Subject to Clause 24.10 (*Pro rata interest settlement*), on the Transfer Date:
  - (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
  - (ii) the Existing Lender will be released by each Obligor and the other Finance Parties from the obligations owed by it (the **Relevant Obligations**) and expressed to be the subject of the release in the Assignment Agreement; and
  - (iii) the New Lender shall become a Party as a "Lender" and will be bound by obligations equivalent to the Relevant Obligations.
- (d) Lenders may utilise procedures other than those set out in this Clause 24.7 to assign their rights under the Finance Documents (but not, without the consent of the relevant Obligor or unless in accordance with Clause 24.6 (*Procedure for transfer*), to obtain a release by that Obligor from the obligations owed to that Obligor by the Lenders nor the assumption of equivalent obligations by a New Lender) **provided that** they comply with the conditions set out in Clause 24.2 (*Borrower consent*) and Clause 24.3 (*Other conditions of assignment or transfer*).

#### 24.8 Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate, an Assignment Agreement or an Increase Confirmation, send to the Borrower a copy of that Transfer Certificate, Assignment Agreement or Increase Confirmation.

## 24.9 Security over Lenders' rights

In addition to the other rights provided to Lenders under this Clause 24, each Lender may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its rights under any Finance Document to secure obligations of that Lender including, without limitation:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

## 24.10 Pro rata interest settlement

- (a) If the Agent has notified the Lenders that it is able to distribute interest payments on a "pro rata basis" to Existing Lenders and New Lenders then (in respect of any transfer pursuant to Clause 24.6 (*Procedure for transfer*) or any assignment pursuant to Clause 24.7 (*Procedure for assignment*) the Transfer Date of which, in each case, is after the date of such notification and is not on the last day of an Interest Period):
  - (i) any interest or fees in respect of the relevant participation which are expressed to accrue by reference to the lapse of time shall continue to accrue in favour of the Existing Lender up to but excluding the Transfer Date (**Accrued Amounts**) and shall become due and payable to the Existing Lender (without further interest accruing on them) on the last day of the current Interest Period (or, if the Interest Period is longer than six Months, on the next of the dates which falls at six Monthly intervals after the first day of that Interest Period); and
  - (ii) the rights assigned or transferred by the Existing Lender will not include the right to the Accrued Amounts, so that, for the avoidance of doubt:
    - (A) when the Accrued Amounts become payable, those Accrued Amounts will be payable to the Existing Lender; and
    - (B) the amount payable to the New Lender on that date will be the amount which would, but for the application of this Clause 24.10, have been payable to it on that date, but after deduction of the Accrued Amounts.

- (b) In this Clause 24.10 references to "Interest Period" shall be construed to include a reference to any other period for accrual of fees.
- (c) An Existing Lender which retains the right to the Accrued Amounts pursuant to this Clause 24.10 but which does not have a Commitment shall be deemed not to be a Lender for the purposes of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents.

## **25 Changes to the Obligors**

No Obligor may assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

## **26 Restriction on Debt Purchase Transactions**

Neither Obligor shall, and shall procure that no other member of the Group will, enter into any Debt Purchase Transaction or beneficially own all or any part of the share capital of a company that is a Lender or a party to a Debt Purchase Transaction of the type referred to in paragraphs (b) or (c) of the definition of Debt Purchase Transaction.

## Section – The Finance Parties

### 27 Role of the Agent

#### 27.1 Appointment of the Agent

- (a) Each Lender appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each Lender authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

#### 27.2 Instructions

- (a) The Agent shall:
  - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
    - (A) all Lenders if the relevant Finance Document stipulates the matter is an all Lender decision; and
    - (B) in all other cases, the Majority Lenders; and
  - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
- (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
- (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
- (d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
- (e) In the absence of instructions, the Agent may act (or refrain from acting) as it considers to be in the best interest of the Lenders.

- (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.

### **27.3 Duties of the Agent**

- (a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (c) Without prejudice to Clause 24.8 (*Copy of Transfer Certificate, Assignment Agreement or Increase Confirmation to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate, any Assignment Agreement or any Increase Confirmation.
- (d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than the Agent) under this Agreement, it shall promptly notify the other Finance Parties.
- (g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).

### **27.4 No fiduciary duties**

- (a) Nothing in any Finance Document constitutes the Agent as a trustee or fiduciary of any other person.
- (b) Neither the Agent nor any Ancillary Lender shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

### **27.5 Business with the Group**

The Agent and each Ancillary Lender may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.

### **27.6 Rights and discretions**

- (a) The Agent may:
  - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;

- (ii) assume that:
  - (A) any instructions received by it from the Majority Lenders, any Lenders or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
  - (B) unless it has received notice of revocation, that those instructions have not been revoked; and
- (iii) rely on a certificate from any person:
  - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
  - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing, as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
  - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 23.1 (*Non-payment*));
  - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised; and
  - (iii) any notice or request made by the Borrower (other than a Utilisation Request) is made on behalf of and with the consent and knowledge of all the Obligors,
- (c) The Agent may engage and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.
- (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.
- (f) The Agent may act in relation to the Finance Documents through its officers, employees and agents.
- (g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) Without prejudice to the generality of paragraph (g) above, the Agent:

- (i) may disclose; and
- (ii) on the written request of the Borrower or the Majority Lenders shall, as soon as reasonably practicable, disclose, the identity of a Defaulting Lender to the Borrower and to the other Finance Parties.

- (i) Notwithstanding any other provision of any Finance Document to the contrary, neither the Agent is obliged to do or omit to do anything if it would, or might in its reasonable opinion, constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

#### **27.7 Responsibility for documentation**

Neither the Agent nor any Ancillary Lender is responsible or liable for:

- (a) the adequacy, accuracy or completeness of any information (whether oral or written) supplied by the Agent, an Ancillary Lender, an Obligor or any other person in or in connection with any Finance Document or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

#### **27.8 No duty to monitor**

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or
- (c) whether any other event specified in any Finance Document has occurred.

#### **27.9 Exclusion of liability**

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent or any Ancillary Lender), neither the Agent nor any Ancillary Lender will be liable for:



- (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
- (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or
- (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including, without limitation, for negligence or any other category of liability whatsoever) but not including any claim based on the fraud of the Agent) arising as a result of:
  - (A) any act, event or circumstance not reasonably within its control; or
  - (B) the general risks of investment in, or the holding of assets in, any jurisdiction,  
including (in each case and without limitation) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.

- (b) No Party (other than the Agent or an Ancillary Lender (as applicable)) may take any proceedings against any officer, employee or agent of the Agent or any Ancillary Lender, in respect of any claim it might have against the Agent or an Ancillary Lender or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent or any Ancillary Lender may rely on this paragraph (b) subject to Clause 1.4 (*Third party rights*) and the provisions of the Third Parties Act.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige the Agent to carry out:
  - (i) any "know your customer" or other checks in relation to any person; or
  - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to the Agent that it is solely responsible for any such checks it is required to carry out and that it may not rely on any statement in relation to such checks made by the Agent.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss. In no event shall the Agent be liable for any loss of profits, goodwill, reputation, business opportunity or anticipated saving, or for special, punitive, indirect or consequential damages, whether or not the Agent has been advised of the possibility of such loss or damages.

#### **27.10 Lenders' indemnity to the Agent**

Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability (including, without limitation, for negligence or any other category of liability whatsoever) incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) (or, in the case of any cost, loss or liability pursuant to Clause 30.11 (*Disruption to payment systems, etc.*)), notwithstanding the Agent's negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by an Obligor pursuant to a Finance Document).

#### **27.11 Resignation of the Agent**

- (a) The Agent may resign and appoint one of its Affiliates acting through an office in the United Kingdom as successor by giving notice to the Lenders and the Borrower.
- (b) Alternatively the Agent may resign by giving 30 days' notice to the Lenders and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 20 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent (acting through an office in the United Kingdom).
- (d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 27 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.

- (e) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 15.3 (*Indemnity to the Agent*) and this Clause 27 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.
- (h) After consultation with the Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
- (i) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents, either:
  - (i) the Agent fails to respond to a request under Clause 13.8 (*FATCA information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
  - (ii) the information supplied by the Agent pursuant to Clause 13.8 (*FATCA information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
  - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent, requires it to resign.

#### **27.12 Replacement of the Agent**

- (a) After consultation with the Borrower, the Majority Lenders may, by giving 30 days' notice to the Agent (or, at any time the Agent is an Impaired Agent, by giving any shorter notice determined by the Majority Lenders) replace the Agent by appointing a successor Agent.

- (b) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents.
- (c) The appointment of the successor Agent shall take effect on the date specified in the notice from the Majority Lenders to the retiring Agent. As from this date, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (b) above) but shall remain entitled to the benefit of Clause 15.3 (*Indemnity to the Agent*) and this Clause 27.12 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date).
- (d) Any successor Agent and each of the other Parties shall have the same rights and obligations amongst themselves as they would have had if such successor had been an original Party.

### **27.13 Confidentiality**

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.

### **27.14 Relationship with the Lenders**

- (a) Subject to Clause 24.10 (*Pro rata interest settlement*), the Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
  - (i) entitled to or liable for any payment due under any Finance Document on that day; and
  - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,unless it has received not less than five Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.
- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address and (where communication by electronic mail or other electronic means is permitted under Clause 32.5 (*Electronic communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 32.2 (*Addresses*) and paragraph (a)(ii) of

Clause 32.5 (*Electronic communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

#### **27.15 Credit appraisal by the Lenders and Ancillary Lenders**

Without affecting the responsibility of any Obligor for information supplied by it or on its behalf in connection with any Finance Document, each Lender and Ancillary Lender confirms to the Agent and each Ancillary Lender that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender or Ancillary Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy or completeness of any information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

#### **27.16 Agent's management time**

Any amount payable to the Agent under Clause 15.3 (*Indemnity to the Agent*), Clause 17 (*Costs and expenses*) and Clause 27.10 (*Lenders' indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 12 (*Fees*).

#### **27.17 Deduction from amounts payable by the Agent**

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

#### **28 Conduct of business by the Finance Parties**

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;

- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

## 29 Sharing among the Finance Parties

### 29.1 Payments to Finance Parties

- (a) Subject to paragraph (b) below, if a Finance Party (a **Recovering Finance Party**) receives or recovers any amount from an Obligor other than in accordance with Clause 30 (*Payment mechanics*) (a **Recovered Amount**) and applies that amount to a payment due under the Finance Documents then:
  - (i) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;
  - (ii) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 30 (*Payment mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
  - (iii) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the **Sharing Payment**) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 30.5 (*Partial payments*).
- (b) Paragraph (a) above shall not apply to any amount received or recovered by an Ancillary Lender in respect of any cash cover provided for the benefit of that Ancillary Lender.

### 29.2 Redistribution of payments

The Agent shall treat the Sharing Payment as if it had been paid by the relevant Obligor and distribute it between the Finance Parties (other than the Recovering Finance Party) (the **Sharing Finance Parties**) in accordance with Clause 30.5 (*Partial payments*) towards the obligations of that Obligor to the Sharing Finance Parties.

### 29.3 Recovering Finance Party's rights

On a distribution by the Agent under Clause 29.2 (*Redistribution of payments*) of a payment received by a Recovering Finance Party from an Obligor, as between the relevant Obligor and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by that Obligor.

### 29.4 Reversal of redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the **Redistributed Amount**); and
- (b) as between the relevant Obligor and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by that Obligor.

#### **29.5 Exceptions**

- (a) This Clause 29 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause, have a valid and enforceable claim against the relevant Obligor.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:
  - (i) it notified that other Finance Party of the legal or arbitration proceedings; and
  - (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

#### **29.6 Ancillary Lenders**

- (a) This Clause 29 shall not apply to any receipt or recovery by a Lender in its capacity as an Ancillary Lender at any time prior to the Agent exercising any of its rights under Clause 23.13 (*Acceleration*).
- (b) Following the exercise by the Agent of any of its rights under Clause 23.13 (*Acceleration*), this Clause 29 shall apply to all receipts or recoveries by Ancillary Lenders except to the extent that the receipt or recovery represents a reduction of the Gross Outstandings of a Multi-account Overdraft to or towards an amount equal to its Net Outstandings.

## Section – Administration

### 30 Payment mechanics

#### 30.1 Payments to the Agent

- (a) On each date on which an Obligor or a Lender is required to make a payment under a Finance Document, excluding a payment under the terms of an Ancillary Document, that Obligor or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account in the principal financial centre of the country of that currency and with such bank as the Agent, in each case, specifies.

#### 30.2 Distributions by the Agent

Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 30.3 (*Distributions to an Obligor*) and Clause 30.4 (*Clawback and pre-funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency.

#### 30.3 Distributions to an Obligor

The Agent may (with the consent of the Obligor or in accordance with Clause 31 (*Set-off*)) apply any amount received by it for that Obligor in or towards payment (on the date and in the currency and funds of receipt) of any amount due from that Obligor under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

#### 30.4 Clawback and pre-funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent is willing to make available amounts for the account of the Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to the Borrower:
  - (i) the Borrower shall on demand refund it to the Agent; and



- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower to whom that sum was made available, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

### 30.5 Impaired Agent

- (a) If, at any time, the Agent becomes an Impaired Agent, an Obligor or a Lender which is required to make a payment under the Finance Documents to the Agent in accordance with Clause 30.1 (*Payments to the Agent*) may instead either:
  - (i) pay that amount direct to the required recipient(s); or
  - (ii) if in its absolute discretion it considers that it is not reasonably practicable to pay that amount direct to the required recipient(s), pay that amount or the relevant part of that amount to an interest-bearing account held with an Acceptable Bank within the meaning of paragraph (a) of the definition of Acceptable Bank and in relation to which no Insolvency Event has occurred and is continuing, in the name of the Obligor or the Lender making the payment (the **Paying Party**) and designated as a trust account for the benefit of the Party or Parties beneficially entitled to that payment under the Finance Documents (the **Recipient Party** or **Recipient Parties**).

In each case such payments must be made on the due date for payment under the Finance Documents.

- (b) All interest accrued on the amount standing to the credit of the trust account shall be for the benefit of the Recipient Party or the Recipient Parties pro rata to their respective entitlements.
- (c) A Party which has made a payment in accordance with this Clause 30.5 shall be discharged of the relevant payment obligation under the Finance Documents and shall not take any credit risk with respect to the amounts standing to the credit of the trust account.
- (d) Promptly upon the appointment of a successor Agent in accordance with Clause 27.12 (*Replacement of the Agent*), each Paying Party shall (other than to the extent that that Party has given an instruction pursuant to paragraph (e) below) give all requisite instructions to the bank with whom the trust account is held to transfer the amount (together with any accrued interest) to the successor Agent for distribution to the relevant Recipient Party or Recipient Parties in accordance with Clause 30.2(*Distributions by the Agent*).
- (e) A Paying Party shall, promptly upon request by a Recipient Party and to the extent:
  - (i) that it has not given an instruction pursuant to paragraph (d) above; and
  - (ii) that it has been provided with the necessary information by that Recipient Party,

give all requisite instructions to the bank with whom the trust account is held to transfer the relevant amount (together with any accrued interest) to that Recipient Party.

### **30.6 Partial payments**

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by an Obligor under the Finance Documents, the Agent shall apply that payment towards the obligations of that Obligor under the Finance Documents in the following order:
  - (i) **first**, in or towards payment pro rata of any unpaid amount owing to the Agent under the Finance Documents;
  - (ii) **secondly**, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under this Agreement;
  - (iii) **thirdly**, in or towards payment pro rata of any principal due but unpaid under this Agreement; and
  - (iv) **fourthly**, in or towards payment pro rata of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.
- (c) Paragraphs (a) and (b) above will override any appropriation made by an Obligor.

### **30.7 No set-off by Obligor**

All payments to be made by an Obligor under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

### **30.8 Business Days**

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

### **30.9 Currency of account**

- (a) Subject to paragraphs (b) and (c) below, dollars is the currency of account and payment for any sum due from an Obligor under any Finance Document.
- (b) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (c) Any amount expressed to be payable in a currency other than dollars shall be paid in that other currency.

### 30.10 Change of currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
  - (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
  - (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

### 30.11 Disruption to payment systems, etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 36 (*Amendments and waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 30.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

## **31 Set-off**

### **31.1 Set-off right**

A Finance Party may set-off any matured obligation due from an Obligor under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to that Obligor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

### **1.2 Ancillary Facilities**

Any credit balances taken into account by an Ancillary Lender when operating a net limit in respect of any overdraft under an Ancillary Facility shall on enforcement of the Finance Documents be applied first in reduction of the overdraft provided under that Ancillary Facility in accordance with its terms.

## **32 Notices**

### **32.1 Communications in writing**

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by letter.

### **32.2 Addresses**

- (a) The address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:
- (i) in the case of the Borrower, that identified with its name below;
  - (ii) in the case of each Lender, each Ancillary Lender or any other Obligor, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and
  - (iii) in the case of the Agent, that identified with its name below,
- or any substitute address or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five Business Days' notice.
- (b) The addresses referred to in paragraph (a) above are as follows:
- (i) The Borrower:  
  
Moor House, 1<sup>st</sup> Floor, 120 London Wall London EC2Y 5ET  
  
Attention: Celeste Callow  
  
Email: Celeste.Callow@StoneX.com

(ii) The Agent:

Barclays Bank PLC  
Level 11, 1 Churchill Place  
London E14 5HP

Attention: Karyn Folino

Email: [karyn.folino@barclays.com](mailto:karyn.folino@barclays.com)

### 32.3 Delivery

- (a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address and, if a particular department or officer is specified as part of its address details provided under Clause 32.2 (*Addresses*), if addressed to that department or officer.
- (b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified in paragraph (b) of Clause 32.2 (*Addresses*) (or any substitute department or officer as the Agent shall specify for this purpose).
- (c) All notices from or to an Obligor shall be sent through the Agent.
- (d) Any communication or document made or delivered to the Borrower in accordance with this Clause will be deemed to have been made or delivered to each of the Obligors.
- (e) Any communication or document which becomes effective, in accordance with paragraphs (a) to (d) above, after 5:00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

### 32.4 Notification of address

Promptly upon changing its address, the Agent shall notify the other Parties.

### 32.5 Electronic communication

- (a) Any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or delivered by electronic mail or other electronic means (including, without limitation, by way of posting to a secure website) if those two Parties:
  - (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
  - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.

- (b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between an Obligor and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
- (c) Any such electronic communication or delivery as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.
- (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5:00 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
- (e) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 32.5.

### **32.6 Communication when Agent is Impaired Agent**

If the Agent is an Impaired Agent the Parties may, instead of communicating with each other through the Agent, communicate with each other directly and (while the Agent is an Impaired Agent) all the provisions of the Finance Documents which require communications to be made or notices to be given to or by the Agent shall be varied so that communications may be made and notices given to or by the relevant Parties directly. This provision shall not operate after a replacement Agent has been appointed.

### **32.7 English language**

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
  - (i) in English; or
  - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

## **33 Calculations and certificates**

### **33.1 Accounts**

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

### **33.2 Certificates and determinations**

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

### **33.3 Day count convention**

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

## **34 Partial invalidity**

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

## **35 Remedies and waivers**

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

## **36 Amendments and waivers**

### **36.1 Required consents**

- (a) Subject to Clause 36.2 (*All Lender matters*) and Clause 36.3 (*Other exceptions*) any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Obligors and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 36.
- (c) Paragraph (c) of Clause 24.10 (*Pro rata interest settlement*) shall apply to this Clause 36.1.

### **36.2 All Lender matters**

An amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of "Majority Lenders" in Clause 1.1 (*Definitions*);
- (b) an extension to the date of payment of any amount under the Finance Documents;

- (c) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
- (d) a change in currency of payment of any amount under the Finance Documents;
- (e) an increase in any Commitment, an extension of the Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the Facility;
- (f) a change to the Borrower or the Parent in its capacity as a guarantor;
- (g) any provision which expressly requires the consent of all the Lenders;
- (h) Clause 2.2 (*Increase*), Clause 5.1 (*Delivery of a Utilisation Request*), Clause 8.1 (*Illegality*), Clause 8.2 (*Change of control*), Clause 8.9 (*Application of prepayments*), Clause 24 (*Changes to the Lenders*), Clause 29 (*Sharing among the Finance Parties*), this Clause 36, Clause 42 (*Governing law*) or Clause 43.1 (*Jurisdiction*);
- (i) the nature or scope of the guarantee and indemnity granted under Clause 18 (*Guarantee and indemnity*); or
- (j) Clause 19.14 (*Sanctions*) or Clause 22.7 (*Sanctions - use of Loans*), or the definition in Clause 1.1 (*Definitions*) of any defined term used in, or relevant to, those Clauses,

shall not be made without the prior consent of all the Lenders.

### **36.3 Other exceptions**

An amendment or waiver which relates to, or would otherwise affect, the rights or obligations of the Agent or any Ancillary Lender (each in their capacity as such) may not be effected without the consent of the Agent or that Ancillary Lender as the case may be.

### **36.4 Excluded Commitments**

If any Defaulting Lender fails to respond to a request for a consent, waiver, amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made (unless, the Borrower and the Agent agree to a longer time period in relation to any request):

- (a) its Commitment shall not be included for the purpose of calculating the Total Commitments under the relevant Facility/ies when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request

### **36.5 Disenfranchisement of Defaulting Lenders**

- (a) For so long as a Defaulting Lender has any Available Commitment, in ascertaining:
  - (i) the Majority Lenders; or



- (ii) whether:
    - (A) any given percentage (including, for the avoidance of doubt, unanimity) of the Total Commitments under the Facility; or
    - (B) the agreement of any specified group of Lenders,
- has been obtained to approve any request for a consent, waiver, amendment or other vote of Lenders under the Finance Documents,

that Defaulting Lender's Commitments under the Facility will be reduced by the amount of its Available Commitments under the Facility and, to the extent that that reduction results in that Defaulting Lender's Total Commitments being zero, that Defaulting Lender shall be deemed not to be a Lender for the purposes of paragraphs (i) and (ii) above.

- (b) For the purposes of this Clause 36.5, the Agent may assume that the following Lenders are Defaulting Lenders:
  - (i) any Lender which has notified the Agent that it has become a Defaulting Lender;
  - (ii) any Lender in relation to which it is aware that any of the events or circumstances referred to in paragraphs (a) or (b) of the definition of **Defaulting Lender** has occurred,

unless it has received notice to the contrary from the Lender concerned (together with any supporting evidence reasonably requested by the Agent) or the Agent is otherwise aware that the Lender has ceased to be a Defaulting Lender.

#### 1.6 Replacement of a Defaulting Lender

- (a) The Borrower may, at any time a Lender has become and continues to be a Defaulting Lender, by giving 10 Business Days' prior written notice to the Agent and such Lender:
  - (i) replace such Lender by requiring such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations under this Agreement;
  - (ii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of the undrawn Commitment of the Lender; or
  - (iii) require such Lender to (and, to the extent permitted by law, such Lender shall) transfer pursuant to Clause 24 (*Changes to the Lenders*) all (and not part only) of its rights and obligations in respect of the Facility,

to an Eligible Institution (a **Replacement Lender**), which confirms its willingness to assume and does assume all the obligations, or all the relevant obligations, of the transferring Lender in accordance with Clause 24 (*Changes to the Lenders*) for a purchase price in cash payable at the time of transfer which is either:

- (A) in an amount equal to the outstanding principal amount of such Lender's participation in the outstanding Utilisations and all accrued interest (to the extent that the Agent has not given a notification under Clause 24.10 (*Pro rata interest settlement*)), Break Costs and other amounts payable in relation thereto under the Finance Documents; or
  - (B) in an amount agreed between that Defaulting Lender, the Replacement Lender and the Parent and which does not exceed the amount described in sub-paragraph (A) above.
- (b) Any transfer of rights and obligations of a Defaulting Lender pursuant to this Clause 36.6 shall be subject to the following conditions:
- (i) the Borrower shall have no right to replace the Agent;
  - (ii) neither the Agent nor the Defaulting Lender shall have any obligation to the Borrower to find a Replacement Lender;
  - (iii) the transfer must take place no later than 60 days after the notice referred to in paragraph (a) above;
  - (iv) in no event shall the Defaulting Lender be required to pay or surrender to the Replacement Lender any of the fees received by the Defaulting Lender pursuant to the Finance Documents; and
  - (v) the Defaulting Lender shall only be obliged to transfer its rights and obligations pursuant to paragraph (a) above once it is satisfied that it has complied with all necessary "know your customer" or other similar checks under all applicable laws and regulations in relation to that transfer to the Replacement Lender.
- (c) The Defaulting Lender shall perform the checks described in paragraph (b)(v) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Parent when it is satisfied that it has complied with those checks.

## **37 Confidential Information**

### **37.1 Confidentiality**

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 37.2 (*Disclosure of Confidential Information*) and Clause 37.3 (*Disclosure to numbering service providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

### **37.2 Disclosure of Confidential Information**

Any Finance Party may disclose:

- (a) to any of its Affiliates and Related Funds and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any

person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;

(b) to any person:

- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or one or more Obligors and to any of that person's Affiliates, Related Funds, Representatives and professional advisers;
- (iii) appointed by any Finance Party or by a person to whom paragraph (b)(i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including, without limitation, any person appointed under paragraph (c) of Clause 27.14 (*Relationship with the Lenders*));
- (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (b)(i) or (b)(ii) above;
- (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;
- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 24.9 (*Security over Lenders' rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Borrower;

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (b)(i), (b)(ii) and (b)(iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
  - (B) in relation to paragraph (b)(iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information;
  - (C) in relation to paragraphs (b)(v), (b)(vi) and (b)(vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including, without limitation, in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party; and
  - (d) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Obligors if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

### **37.3 Disclosure to numbering service providers**

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facility and/or one or more Obligors the following information:
  - (i) names of Obligors;
  - (ii) country of domicile of Obligors;
  - (iii) place of incorporation of Obligors;

- (iv) date of this Agreement;
- (v) Clause 42 (*Governing law*);
- (vi) the names of the Agent;
- (vii) date of each amendment and restatement of this Agreement;
- (viii) amount of the Facility (and any tranches);
- (ix) amount of Total Commitments;
- (x) currency of the Facility;
- (xi) type of Facility;
- (xii) ranking of Facility;
- (xiii) Termination Date for the Facility;
- (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
- (xv) such other information agreed between such Finance Party and the Borrower,

to enable such numbering service provider to provide its usual syndicated loan numbering identification services.

- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facility and/or one or more Obligors by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.
- (c) Each Obligor represents that none of the information set out in paragraphs (a)(i) to (xv) above is, nor will at any time be, unpublished price-sensitive information.
- (d) The Agent shall notify the Borrower and the other Finance Parties of:
  - (i) the name of any numbering service provider appointed by the Agent in respect of this Agreement, the Facility and/or one or more Obligors; and
  - (ii) the number or, as the case may be, numbers assigned to this Agreement, the Facility and/or one or more Obligors by such numbering service provider.

#### **37.4 Entire agreement**

This Clause 37 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

### 37.5 Inside information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

### 37.6 Notification of disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 37.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 37.

### 37.7 Continuing obligations

The obligations in this Clause 37 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of twelve months from the earlier of:

- (a) the date on which all amounts payable by the Obligors under or in connection with this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available; and
- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

## 38 Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

## 39 Bail-In

### 39.1 Definitions

In this Clause 39:

143 **Article 55 BRRD** means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

144 **Bail-In Action** means the exercise of any Write-down and Conversion Powers.

145 **Bail-In Legislation** means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time; and

(b) in relation to any state other than such an EEA Member Country or (to the extent that the United Kingdom is not such an EEA Member Country) the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation.

146 **EEA Member Country** means any member state of the European Union, Iceland, Liechtenstein and Norway.

147 **EU Bail-In Legislation Schedule** means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

148 **Resolution Authority** means any body which has authority to exercise any Write-down and Conversion Powers.

149 **UK Bail-In Legislation** means (to the extent that the United Kingdom is not an EEA Member Country which has implemented, or implements, Article 55 BRRD) Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

150 **Write-down and Conversion Powers** means:

(a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;

(b) in relation to any other applicable Bail-In Legislation:

(i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and

(ii) any similar or analogous powers under that Bail-In Legislation; and

(c) in relation to any UK Bail-In Legislation:

(i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of

that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and

- (ii) any similar or analogous powers under that UK Bail-In Legislation.

### **39.2 Contractual recognition of bail-in**

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including:
  - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
  - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
  - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

### **40 Waiver of consequential damages**

To the extent permitted by applicable law, no Party shall assert, and hereby waives, any claim against any other Party or any of its Affiliates, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, the Finance Documents or any agreement or instrument contemplated thereby, the Utilisations or the use of the proceeds thereof.

### **41 US Patriot Act**

Each Lender hereby notifies each Obligor that pursuant to the requirements of the USA Patriot Act, it may be required to obtain, verify and record information that identifies each Obligor, which information includes the name and address of such Obligor and other information that will allow such Lender to identify the Obligor in accordance with said Act.



## Section – Governing law and enforcement

### 42 Governing law

This Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

### 43 Enforcement

#### 43.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including a dispute relating to the existence, validity or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement) (a **Dispute**).
- (b) The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

#### 43.2 Service of process

- (a) Without prejudice to any other mode of service allowed under any relevant law, the Parent:
  - (i) irrevocably appoints the Borrower as its agent for service of process in relation to any proceedings before the English courts in connection with any Finance Document (and the Borrower by its execution of this Agreement, accepts that appointment); and
  - (ii) agrees that failure by an agent for service of process to notify the Parent of the process will not invalidate the proceedings concerned.
- (b) If any person appointed as an agent for service of process is unable for any reason to act as agent for service of process, the Borrower (on behalf of all the Obligors) must immediately (and in any event within 10 days of such event taking place) appoint another agent on terms acceptable to the Lender (acting reasonably). Failing this, the Lender may appoint another agent for this purpose.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

***[SIGNATURE PAGES INTENTIONALLY OMITTED]***



# StoneX Group Inc. Code of Ethics

**Version VIII**  
August 16, 2021

**Applies to:**  
StoneX Group Inc., its directors, officers and employees, and its corporate subsidiaries

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## 1. Introduction

StoneX Group Inc. (the “Company”) is adopting this Code of Ethics (“Code”) to formalize the Company’s expectations regarding the ethical conduct of the Company’s directors, officers and employees and each of its subsidiaries. The Company also expects all of the Company’s consultants will abide by this Code.

This Code is intended to satisfy the requirements of Section 406 of the Sarbanes-Oxley Act of 2002 regarding the adoption of a code of ethics for senior officers and the rules of NASDAQ regarding the adoption of a code of conduct for directors, officers and employees.

## 2. Honest and Ethical Conduct

The Company is committed to conducting its business in accordance with the highest ethical principles. This Code is designed to accomplish this goal by setting forth the ethical standards which will govern the conduct of the directors, officers, and employees of the Company.

## 3. Diversity and Inclusion

As a global financial services business, StoneX Group Inc. recognizes the importance of diversity, as it provides us with broader knowledge and skills to enhance performance and the service we can provide our clients, as well as helping us to expand our understanding of the markets in which we operate. Additionally, at StoneX Group Inc., we are proud of our entrepreneurial culture which promotes individuality, integrity and openness and it is important to us to continue to attract diverse talent that would thrive in our multi-product and international business.

## 4. Reporting of Potential Violations

Directors, officers and employees should strive to identify and raise potential issues before they lead to problems, and should ask about the application of this Code whenever in doubt. Any director, officer or employee who becomes aware of any existing or potential violation of this Code should promptly notify, in the case of employees, the Company’s Corporate Secretary or Chief Governance and Legal Officer and, in the case of directors and officers, the Chairman of the Nominating & Governance Committee.

Alternatively, any issues may be reported through the Company’s secure Whistleblower Hotline. The Whistleblower Hotline is serviced by a third-party provider and is available by phone or online. Reports may be made anonymously, where local laws allow. However, you are encouraged to identify yourself when making a report, so that additional information can be obtained if needed. Whenever possible and permitted by law, your identity will be kept strictly confidential.

To access the Whistleblower Hotline via the internet, go to <https://secure.ethicspoint.com/domain/media/en/gui/34806/index.html> and follow the instructions for submitting a report.

We refer to the Corporate Secretary, the Chief Governance and Legal Officer, the Chairman of the Nominating & Governance Committee and the Non-Management Members of the Board of Directors as the “Appropriate Ethics Contacts” in this Code. The Company will take appropriate action to address any existing or potential violation of this Code brought to its attention, as described in this Code.

## 5. Conflicts of Interest

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines that may have been provided by the Board of Directors or where a waiver has been provided as contemplated under the heading “Waivers” below. Wherever a conflict of interest arises, the person involved must promptly disclose the circumstances of the conflict to the Appropriate Ethics Contact.

Directors, officers and employees have a duty to act in the best interests of the Company and its shareholders at all times. As part of this duty, directors, officers and employees are prohibited from engaging in any transaction or occupying any position which involves an improper conflict of interest.

A “conflict of interest” exists when a person’s interests outside the Company interfere in any way with the interests of the Company or create the possibility that his or her decisions may be influenced to the detriment of the Company. A conflict situation can arise when a director, officer or employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when a director, officer or employee, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to or guarantees of obligations of employees and their family members may create conflicts of interest and are prohibited.

Working in any capacity (for example, as employee, consultant or director) for a competitor, customer, counterparty or supplier may give rise to a conflict of interest. Any such relationship should be disclosed to the Appropriate Ethics Contact. An investment in a competitor, customer, counterparty or supplier may give rise to a conflict of interest. All investments by Company employees in non-public entities that are competitors, customers, counterparties or suppliers should be disclosed to the Appropriate Ethics Contact. The Nominating & Governance Committee is authorized to decide whether or not a conflict of interest exists.

The best policy is to avoid any direct or indirect personal business connection with the Company’s competitors, customers, counterparties or suppliers, except on the Company’s behalf.

## 6. Corporate Opportunities

Directors, officers and employees owe a duty to the Company to advance the legitimate business interests of the Company when the opportunity to do so arises. Directors, officers and employees are prohibited from taking for themselves (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, directors, officers and employees are prohibited from using corporate property, information or position for personal gain or competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes both personal and Company benefits may be derived from certain activities. The only prudent course of conduct for directors, officers and employees is to ensure that any use of Company property or services that is not solely for the benefit of the Company is approved beforehand by the Appropriate Ethics Contact.

## 7. Fair Dealing

The Company seeks competitive advantages through superior performance and not through illegal or unethical business practices. Directors, officers and employees should deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

## 8. Anti-Bribery and Anti-Corruption

The Company is committed to preventing corruption and bribery. This means that we comply with all applicable anti-corruption/anti-bribery laws, rules, and regulations wherever we conduct business, as well as the Company's Anti-Bribery Policy available in the StoneX Policy Center and at <https://ir.stonex.com/corporate-governance>. No Company employee, officer, agent, or independent contractor acting on the Company's behalf may offer or provide bribes or other improper benefits (e.g., excessive gifts, entertainment, or services) to government officials or other persons in order to gain a business advantage.

The Foreign Corrupt Practices Act and other U.S. and international laws prohibit payment of money or anything of value to a foreign official, foreign political party (or official thereof), or any candidate for foreign political office for the purposes of obtaining, retaining or directing of business. We expect all employees, officers, agents, and independent contractors acting on behalf of the Company to strictly abide by these laws.

Consult the Company's Anti-Bribery Policy for more information regarding anti-corruption and anti-bribery. If you have any questions about a payment, gifts or entertainment, third-party agents, or general questions about the Company's Anti-Bribery Policy, contact your supervisor and/or Legal Department. If you become aware of any possible violations of the Company's Anti-Bribery Policy, it is your duty to promptly notify the Legal Department or make an anonymous report through the Whistleblower Hotline at <https://secure.ethicspoint.com/domain/media/en/gui/34806/index.html>.

## 9. Business Entertainment and Gifts

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any director, officer or employee of the Company, or any of their family members, unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with the Appropriate Ethics Contact any gifts or proposed gifts which you are not certain are appropriate.

## 10. Confidentiality

In carrying out the Company's business, directors, officers and employees often learn confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Directors, officers and employees must maintain the confidentiality of all information so entrusted to them, except when disclosure is authorized or legally mandated. Confidential or proprietary information

includes, among other things, any non-public information concerning the Company, including its businesses, financial performance, results or prospects, and any non-public information provided by a third party with the expectation that the information will be kept confidential and used solely for the business purpose for which it was conveyed. The obligation to preserve confidential information continues even after employment ends. Additional confidentiality obligations may be contained in employment agreements, employment letters or related or similar documents entered into or binding on employees, directors and consultants.

## 11. Laws and Regulations

Directors, officers and employees must respect and follow all laws and regulations which apply to the Company and its operations. Therefore, the Company's directors, officers or employees may not:

- In communicating with the Company or any of its customers, counterparties or regulators, make any untrue statement of a material fact or omit a material fact necessary in order to make the statements made accurate and complete.
- Engage in any act, practice or course of business which operates or could operate as a fraud or deceit upon the Company, any of its customers, counterparties or regulators, or any other person.
- Cause the Company to violate any laws, rules and regulations applicable to the Company.
- Buy or sell securities of any issuer when in possession of material non-public information relating to the issuer, or recommend that another person buy, sell or hold the securities of such issuer.

## 12. Public Disclosure and Financial Reporting

The Company requires that the information in its public communications, including filings with the U.S. Securities and Exchange Commission, be full, fair, accurate, timely and understandable. All directors, officers and employees who are involved in the Company's disclosure process, including the senior financial officers, are responsible for acting in furtherance of this objective. In particular, these individuals are required to maintain familiarity with the disclosure requirements applicable to the Company and are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts about the Company to others, whether within or outside the Company, including the Company's independent auditors. In addition, any director, officer or employee who has a supervisory role in the Company's disclosure process has an obligation to discharge his or her responsibilities diligently.

The Company's senior financial officers are required to establish and manage the Company's reporting systems and procedures to ensure that:

- Business transactions are properly authorized and accurately recorded on the Company's books and records and in accordance with Generally Accepted Accounting Principles ("GAAP").
- The Company's records are maintained in accordance with applicable legal and regulatory requirements and Company policy.

- Periodic reporting and communications with the public are communicated clearly so that readers will be able to determine the significance and potential consequences.
- Personnel dealing with the finances of the Company are informed as to rules and regulations that affect the financial operation of the Company.
- The financial operation of the Company is monitored as to compliance with any applicable rules and regulations.
- Any identified error is corrected in a timely manner.

## 13. Compliance with the Code of Ethics

As evidence of compliance with this Code, all directors, officers and employees will sign an annual attestation that they have received and read this Code and that all required disclosures have been made to the Company and any known violations have been reported.

Employees are encouraged to talk to the Appropriate Ethics Contact about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation.

Employees are required to cooperate in all internal investigations of misconduct.

## 14. Prohibition Against Retaliation

The Company strictly prohibits retaliation against any person reporting possible violations of law, ethics or this Code which are made in good faith.

## 15. Enforcement of the Code of Ethics

The Company has adopted the following procedure for enforcing this Code:

- The Company will investigate all alleged violations of this Code. This investigation will be undertaken by the Appropriate Ethics Contact or another person designated by the Board of Directors.
- In the event that the Company determines that a violation of this Code has occurred, the Company will take appropriate action against the violator, which may include termination of employment, reduction of authority or reduction in compensation.

## 16. Waivers

The Company may waive provisions of this Code in appropriate circumstances. If a director, officer or employee believes that a waiver is appropriate, he or she should discuss the matter with the Appropriate Ethics Contact.



Waivers for directors or executive officers (including senior financial officers) may be made only by the Board of Directors. The Company will publicly report all waivers which apply to the Company's directors and executive officers as required by applicable laws and regulations.

## Appendix and Links

Production Date	
Version no.	
Replaces	
Author	
Approver	
For questions contact	

## SUBSIDIARIES OF THE REGISTRANT

Name	Place of Incorporation
Chasing Returns Limited	Ireland
Coininvest GmbH	Germany
European Precious Metal Trading GmbH	Germany
Exotic Partners LLP	United Kingdom
FCC Futures, Inc.	Iowa, U.S.
FCStone Commodity Services (Europe) Ltd	Ireland
FCStone do Brasil Ltda.	Brazil
FCStone Group, Inc.	Delaware, U.S.
FCStone Paraguay S.R.L.	Paraguay
Gain Capital Europe GmbH	Germany
Gain Capital – Forex.com Canada, Ltd.	Canada
Gain Capital – Forex.com Cyprus Ltd.	Cyprus
Gain Capital – Forex.com Hong Kong, Ltd.	Hong Kong
Gain Capital – Forex.com International BV	The Netherlands
Gain Capital Group, LLC	Delaware, U.S.
Gain Capital Holdings, Inc.	Delaware, U.S.
Gain Capital Holdings International, B.V.	The Netherlands
Gain Capital Holdings International, LLC	Delaware, U.S.
Gain Capital Holdings Ltd.	England and Wales
Gain Capital Technology Consulting Hong Kong Limited	Hong Kong
Gain Capital UK Limited	England and Wales
Gain Global Markets Bermuda, Ltd.	Bermuda
Gain Global Markets International, B.V.	The Netherlands
Gain Global Markets, Inc.	Cayman Islands
Gain GTX, LLC	Delaware, U.S.
Gain Holdings, LLC	Delaware, U.S.
Gainvest Asset Management Ltd.	British Virgin Islands
GCAM, LLC	Delaware
Global Asset Advisors, LLC	Illinois, U.S.
Global Futures & Forex, Ltd.	Michigan, U.S.
GTX Bermuda Ltd.	Bermuda
IFCM Commodities GmbH	Germany
INTL Capital S.A.	Argentina
INTL FCStone Banco de Cambio S.A.	Brazil
INTL FCStone (BVI) Limited	British Virgin Islands
INTL FCStone de Mexico, S. de R.L. de C.V.	Mexico
INTL FCStone DTVM Ltda.	Brazil
INTL FCStone Pty Ltd	Australia
INTL FCStone S.A.	Argentina
INTL FCStone (Shanghai) Trading Co., Ltd	China
INTL FCStone Technology Services Private Limited	India
INTL Fillmore Advisors Canada, ULC	British Columbia, Canada
INTL Fillmore Advisors LLC	Delaware, U.S.
INTL Netherlands B.V.	The Netherlands
INTL Participacoes Ltda.	Brazil
Island Traders (Cayman), Limited	Cayman Islands
Jing Tao Business Consulting (Shanghai) Co. Ltd.	China
SA Stone Investment Advisors Inc.	Delaware, U.S.
SA Stone Wealth Management Inc.	Delaware, U.S.
S.L. Bruce Financial Corporation	Ohio, U.S.
StoneX Agency Services Limited	Nigeria
StoneX APAC Pte. Ltd.	Singapore
StoneX Asset Management S.A.	Argentina
StoneX Bullion Inc.	Florida, U.S.

**Exhibit 21 (continued)**

<b>Name</b>	<b>Place of Incorporation</b>
StoneX Commodities DMCC	Dubai, United Arab Emirates
StoneX Commodity Solutions LLC	Delaware, U.S.
StoneX Credit Trading Inc.	Delaware, U.S.
StoneX Europe Ltd	Cyprus
StoneX Financial (Canada) Inc.	British Columbia, Canada
StoneX Financial Co., Ltd.	Japan
StoneX Financial Europe S.A.	Luxembourg
StoneX Financial GmbH	Germany
StoneX Financial (HK) Ltd.	Hong Kong
StoneX Financial Inc.	Florida, U.S.
StoneX Financial Ltd	United Kingdom
StoneX Financial Nigeria Limited	Nigeria
StoneX Financial Pte. Ltd.	Singapore
StoneX Financial Pty Ltd	Australia
StoneX Investimentos Ltda.	Brazil
StoneX Markets LLC	Iowa, U.S.
StoneX (Netherlands) B.V.	The Netherlands
StoneX Pagos S.A.U.	Argentina
StoneX Payment Services Ltd.	Washington, U.S.
StoneX Poland sp z.o.o.	Poland
StoneX Precious Metals LLC	Delaware, U.S.
StoneX Securities S.A.	Argentina
StoneX Technology Services LLC	Delaware, U.S.
Trade Facts Ltd.	United Kingdom
Westown Commodities, LLC	Iowa, U.S.

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the registration statements (Nos. 333-117544, 333-137992, 333-144719, 333-152461, 333-186704, 333-209912, and 333-231301 on Form S-3 and Nos. 333-108332, 333-142262, 333-196413, 333-197773, 333-216538, and 333-229807 on Form S-8) of our reports dated November 29, 2021, with respect to the consolidated financial statements of StoneX Group Inc. and the effectiveness of internal control over financial reporting.

*/s/ KPMG LLP*

Kansas City, Missouri  
November 29, 2021

**SECTION 302 CERTIFICATION**

I, Sean M. O'Connor, certify that:

1. I have reviewed this Annual Report on Form 10-K of StoneX Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 29, 2021

/s/ SEAN M. O'CONNOR

Sean M. O'Connor

Chief Executive Officer

**SECTION 302 CERTIFICATION**

I, William J. Dunaway certify that:

1. I have reviewed this Annual Report on Form 10-K of StoneX Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 29, 2021

/s/ WILLIAM J. DUNAWAY

William J. Dunaway  
Chief Financial Officer

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of StoneX Group Inc. (the Company) on Form 10-K for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Sean M. O'Connor, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 29, 2021

/s/ SEAN M. O'CONNOR

Sean M. O'Connor  
Chief Executive Officer

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to StoneX Group Inc. and will be retained by StoneX Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of StoneX Group Inc. (the Company) on Form 10-K for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, William J. Dunaway, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 29, 2021

/s/ WILLIAM J. DUNAWAY

William J. Dunaway  
Chief Financial Officer

A signed original of this written statement required by Section 906 or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to StoneX Group Inc. and will be retained by StoneX Group Inc. and furnished to the Securities and Exchange Commission or its staff upon request.